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America's Power Gives Asia a Case of Nerves

By David E. Sanger
New York Times Service

MANILA — Anyone wondering why Asian business leaders showed such intense interest in the inner workings of the American political system this autumn — and such eagerness to contribute to both Democrats and Republicans in record amounts — could find the answer this week in the sprawling ballrooms of the Shangri-la Hotel here.

In the days leading up to President Bill Clinton's arrival Saturday evening along with the leaders of 17 other Pacific Rim nations, the region's billionaires and bankers, its industrial planners and its real estate investors poured into this city to assess how a second term for the Clinton administration will affect billions of dollars worth of new investments from Jakarta, Indonesia, to Los Angeles.

There was, of course, the usual heavy dose of clichés about doing business in the global village. But it was quickly evident that many of the villagers are more nervous than ever about Washington's increasingly central role in setting — or vetoing — the rules of global trade. After years of insisting that America is a diminished world economic power, Asia's most powerful executives have concluded that decisions made in Washington are more important to their prosperity than ever.

So while Mr. Clinton was scuba diving off the Great Barrier Reef, the acting U.S. Trade Representative, Charlene Barshefsky, was besieged with questions about the conditions under which America would let China join the World Trade Organization — an issue little discussed in America but one on which fortunes could be made or lost here.

When Commerce Secretary Mickey Kantor spoke Saturday about the emergence of a "Clinton Doctrine" — "not mutually assured destruction and a policy of containment but mutually assured prosperity and a policy of engagement" — clusters of Asian executives debated whether these were code words for more pressure to open markets.

Business executives around the world have always

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Clinton and Jiang Take a First Step To Improve Ties

By Todd S. Purdum
New York Times Service

MANILA — Despite deep and unresolved differences, President Bill Clinton and President Jiang Zemin of China agreed Sunday to exchange state visits over the next two years, the first such extended meetings between their nations since the massacre of demonstrators at Tiananmen Square in 1989.

The White House hopes the reciprocal visits — to be preceded by a trip to Beijing by Vice President Al Gore in the first half of next year — will cement the first steps toward improving a relationship that has foundered badly in the last four years over human rights, trade, nuclear proliferation and Taiwan.

But after an 85-minute meeting at an economic forum of 18 Asia-Pacific leaders here, it was clear Mr. Clinton and Mr. Jiang had made little substantive progress on any of those issues.

The one possible exception, U.S. officials said, was Mr. Jiang's apparent willingness to move ahead on opening markets that would pave the way for China to join the World Trade Organization and thus diminish a source of longstanding tension between Washington and Beijing.

In a separate meeting with President Kim Young Sam of South Korea, Mr. Clinton apparently succeeded in persuading him to maintain his country's minimal links with North Korea, despite its outrage over the incursion of a North Korean submarine and its crew into South Korean territory in September. (Page 7.)

U.S. officials said the precise timing of the Chinese-American state visits remained to be set, depending in part on the smoothness of the scheduled transfer of Hong Kong to Chinese rule in July 1997. But the assumption has been that Mr. Jiang will travel to Washington next year, perhaps after the next scheduled Asia-Pacific Economic Cooperation forum in Vancouver, Canada, in November, and that Mr. Clinton could go to Beijing in 1998.

An American translator said later that Mr. Jiang had said the timing of the meeting Sunday, just after Mr. Clinton's re-election, gave it special importance.

In a gesture of goodwill aimed at U.S. public opinion, Mr. Jiang also told Mr. Clinton that the Chinese had recently discovered the remnants of what appeared to be a B-24 bomber from World War II containing human remains in the Guangxi region in southwestern China.

Chinese officials first informed Secretary of State Warren Christopher of the discovery while he was in China last

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At Least 123 Die in Crash Of Hijacked Ethiopia Jet

Ocean Off Comoro Islands Is Searched; Some of the 52 Survivors Swam to Shore

Compiled by Our Staff From Dispatches

MORONI, Comoros — Rescuers searched for bodies Sunday in the wreckage of an Ethiopian Airlines plane that ran out of fuel and plunged into the sea off the Comoro Islands after hijackers battled the pilot for the controls. At least 123 people were killed.

Divers worked through the night after the Boeing 767 jet broke into three pieces just off the main island of the Indian Ocean archipelago on Saturday.

The plane, with 175 people aboard, crashed after three hijackers, who were identified as Ethiopians, refused to let the pilot land at a nearby airport.

The co-pilot, Yonas Mekuria, said that the pilot, Captain Leul Abate, had pleaded with the hijackers to let him land at nearby Moroni, the capital of the Comoros, because the aircraft was running out of fuel. But the hijackers refused.

"I guess they understood it, but they didn't give a damn," said Mr. Mekuria, who was hospitalized in Moroni with minor injuries.

As the two engines began to die, Mr. Abate tried to put the plane down in the sea, just short of the beach.

Witnesses said a wing touched first, then the plane hit and bounced several times and broke apart, throwing passengers into the sea and filling with water.

Officials said that 52 people survived and 123 were feared dead. The officials said two hijackers had been arrested and the third was presumed to have died in the crash. Three large sections of the aircraft floated within 100 meters of the beach Sunday.

Other parts of the plane sank beyond a reef, about 500 meters from shore. Officials said some bodies might be in the sunken wreckage.

Some survivors managed to swim to shore, only 500 meters away, while others bobbed in the water as tourists rushed off the palm-fringed Le Galawa beach to help.

Alphonso Dala, a Nigerian passenger en route to Lagos, said that after the plane hit the water, it flipped into the air upside down.

"I felt myself turning," said Mr. Dala, who was not injured. "Then there was a big bang and I was in the water. I was in my seat in the water."

Another passenger, N.B. Surti of Bombay, said the plane quickly filled with water.

"We knew we were going to land in the sea," he continued. "Five or six times I went up and down in the water. I fought through all the bodies and everything and grabbed a broken part of the plane.

"Slowly, slowly I came out."

The pilot, Mr. Abate, who suffered head injuries, said the three hijackers had tried to divert the craft to Australia and had wanted to "make history."

Their motives were unknown.

The plane, bound from Addis Ababa to Abidjan, Ivory Coast, and due to have stopped in Nairobi, ran out of fuel some 25 kilometers (16 miles) short of the airport at Moroni.

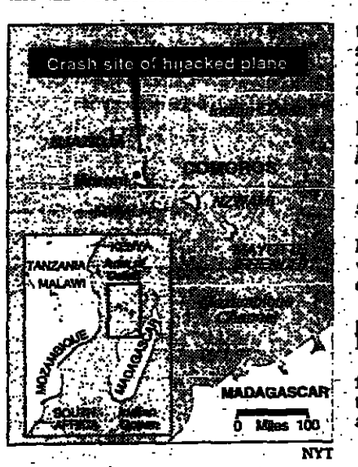
The co-pilot, Mr. Mekuria, said of the hijackers: "They were interfering with procedures, grabbing at the instruments. They snatched the radio from the jack. The last message was one to the passengers."

In that message, Mr. Abate said that he had lost one engine, that the plane was out of fuel and that he was going to ditch in the ocean.

"People were screaming, some were praying," said Bisrat Alemu, an Ethiopian passenger.

The hijackers commandeered the flight soon after it took off. Shortly after they took control, the hijackers made an announcement in Amharic, the Ethiopi-

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Gary Hershorn/Reuters

Mr. Clinton entering a private meeting Sunday in Manila with President Jiang Zemin of China, as he extolled free trade to Asia-Pacific leaders.

U.S. Relations In Asia Back To 'Normal' – If That's Good

By John F. Harris
Washington Post Service

MANILA — After more than a year in which the United States has lurched through a series of crises and confrontations in Asia, President Bill Clinton's encounters here this weekend showed that he has succeeded in steering U.S. relations in the region back to normal.

That is the good news.

The problem lies in what qualifies as normal.

The annual summit meeting of the Asia-Pacific Economic Cooperation forum, which ends Monday, was a reminder that "normal" for this region is a synonym for exasperating. Although recent contention in China, Japan and the Korean Peninsula has all been moved back from the edge, the historic frustrations that the United States has faced for years in all three places remain solidly in place.

NEWS ANALYSIS

China remains the most vexatious of all. Mr. Clinton's announcement that he and the Chinese president, Jiang Zemin, had agreed to exchange visits in the first half of his second term showed that, eight months after Mr. Clinton sent two aircraft carriers to keep China from threatening Taiwan, a measure of trust and civility has been restored between Beijing and Washington.

But Mr. Clinton's 85-minute session with the Chinese leader also followed the old rituals. Mr. Clinton noted longstanding U.S. complaints about China's human rights policies and its repression of political dissidents; Mr. Jiang dismissed the complaint in the usual fashion, saying that China was interested in the economic rights of its citizens.

Similarly, Mr. Clinton's meeting with President Kim Young Sam of South Korea was a mixture of hopeful and harrowing. The Korean Peninsula has crackled with military tension since September, when a North Korean submarine ran ashore off South Korea.

Mr. Clinton and Mr. Kim agreed to a statement pledging that South Korea would seek to reduce conflicts and

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Clinton Lobbies APEC on Technology

By Michael Richardson
International Herald Tribune

MANILA — President Bill Clinton asked Asian and Pacific leaders Sunday to give their support to a plan on free trade in computers and telecommunications by 2000 — a target date their foreign and trade ministers had failed to endorse just 24 hours earlier because of opposition from developing countries in the region.

Mr. Clinton's lobbying, in talks with key leaders of the Asia-Pacific Economic Cooperation forum and then at an informal dinner of leaders of the 18 members of the group, was an 11th hour effort to strengthen support for an information-technology agreement that Washington is pushing as a centerpiece of its market-opening trade policy.

A senior American official, who asked not to be identified, said that he had hope that the language on the agreement could be strengthened in a declaration to be issued by the APEC leaders Monday, the last day of their annual summit meeting, at Subic Bay, the former U.S. naval base northwest of Manila.

Mr. Clinton will continue to pursue "as strong as possible an endorsement" of support by APEC leaders for the early conclusion of the proposed technology agreement in the World Trade Organization, the official said.

The information-technology industry contributed about $500 billion to worldwide trade in 1995 and is growing faster than any other international trade sector. APEC economies account for four-fifths of the business, Washington says.

But developing countries in the forum counter that the United States, Japan and other developed APEC members dominate the trade.

If they agree to Mr. Clinton's request to open all the computer and telecommunications sectors by 2000, they say, their fledgling industries in these key areas will be overwhelmed.

See APEC, Page 4

EU Allows the Lira Back Into Grid

In Concession, Italy Agrees to Set Currency Just Below Market Rate

By Tom Buerkle
International Herald Tribune

BRUSSELS — The European Union agreed Sunday to bring the Italian lira back into its exchange-rate mechanism, effective Monday, at a central rate of 990 lire to the Deutsche mark.

The move ended a four-year absence but stopped short of guaranteeing Italy's inclusion in Europe's economic mainstream. It appeared to bring a close to a long period of financial turbulence that saw the lira plunge 40 percent at its nadir last year, prompting a short-lived economic boom in Italy but slowing growth sharply in Germany, France and other Continental countries.

But the move was agreed only after two days of difficult negotiations that underlined deep misgivings — particularly in Germany — about Italy's readiness to join a European single currency at the start planned for 1999.

Wim Duisenberg, the Dutch central bank governor and front-runner to be the first governor of the planned European central bank, underscored the wariness of many EU countries about Italy's recent conversion to fiscal stability.

"This decision did not in any way prejudice the decision to be taken in 1998," when EU leaders will select the countries to launch the single currency in 1999, Mr. Duisenberg said.

The central rate was slightly stronger than the Deutsche mark's closing rate of 996.30 lire Friday, and stronger than the rate of 1,000 lire to 1,010 lire that Italian authorities had fought for. Germany, supported by France and other countries, had suggested a rate of 970 lire to the mark.

Under the rules of the mechanism, the lira will be allowed to fluctuate by 15 percent either side of the central rate. But Mr. Duisenberg said the officials agreed that Italy would endeavor to keep the lira tied closely to the central rate.

That could limit the Bank of Italy's room to cut its official interest rates, a prospect that had sparked an influx of investment in Italian bonds and stocks in recent weeks.

The lira was driven out of the exchange-rate mechanism along with Bri-

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Stefan Hesse/AFP

VICTORY — Pete Sampras fended off Boris Becker to win the ATP Tour World Championship. Page 18.

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AGENDA

Bomb Kills 5 in Algeria

ALGIERS (Combined Dispatches) — Five persons were killed and 15 wounded Sunday when a car bomb exploded outside a hotel south of here where police usually live, security services and witnesses said. The explosion, four days before Algerians vote on whether to change the constitution, killed three men, a woman and a girl, all passers-by, said residents in Blida, 50 kilometers from Algiers. The military headquarters for Algiers and neighboring towns are in Blida. *(AFP, Reuters)*

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A Dusty Trove in a Lithuania Library

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Keeping It Short in Simpson Trial

ASIA/PACIFIC Page 7.
Beauty Pageant Survives Protests

Confidence in Its Safety in Ashes, the Chunnel Faces Dark Times

By Craig R. Whitney
New York Times Service

PARIS — It was not only about a mile of railroad track, wiring and concrete lining in the 32-mile-long tunnel under the English Channel that was destroyed in the fire that blazed through a freight train en route to Britain last Monday night.

It was also about the confidence in the safety procedures of this, one of the engineering wonders of modern Europe, that was badly shaken. It was undermined far more seriously than its operators first let on — so seriously, in fact, that on Sunday a French-British intergovernmental safety commission had still not given permission for even limited passenger train service to resume.

Officials said Sunday, as the busy Christmas travel season approaches, that it could take three months to repair the damage completely. This could have incalculable consequences for the financial stability of the privately capitalized Eurotunnel company that operates the tunnel. Eurotunnel staved off bankruptcy earlier this fall by restructuring $15 billion worth of debt.

"We came all the way from Hong Kong just to try the Eurostar," said John Wu, a resident of the British colony who had reserved seats for himself, his wife and their daughter on the Eurostar on Nov. 21, three days after the fire.

"They put us on an airplane instead," said Mr. Wu, but he showed up Sunday at the Gare du Nord here for the return trip to London. Instead, the family found itself on a makeshift train and ferry service to London that takes eight to nine hours.

French officials of Eurostar, who had said they hoped to resume limited service last Tuesday, said Monday that they had stopped taking reservations through the end of November and could not tell when passenger trains would start running again.

Electronic signs warned London-bound passengers that service was "stopped until further information," offering instead of the three-hour, once-every-hour trip a "spare" service that sounded much like the laborious cross-Channel journeys of yore.

Meanwhile, British and French newspapers squabbled about whether the French train crew had been too reckless or the British fire fighters too slow to reach the scene.

Until the fire last week, the tunnel was a big hit with the traveling public on both sides of the Channel. It satisfied nearly half the market demand for seats between Paris and London with a capacity of more than 10,000 passengers a day, and forced airlines to match its $100 round-trip excursion fares.

The special $50 one-way fare for those willing to limp across the Channel by rail and ferry since the fire has only attracted about 100 people on each of the three daily trains from Paris, a Eurostar official said. But airlines reported that many flights were booked as solid as they used to be in the old days when fog in the Channel could cut off the Continent. Ferry operators in Calais and Dover were having a field day.

Some freight-only trains resumed running

See CHUNNEL, Page 4

Newsstand Prices

Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 Riels
Egypt	E£ 5	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10.00 R.
Gabon	1100 CFA	Senegal	1,100 CFA
Greece	350 Dr.	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20

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Property of National Library / **A Heritage Lies in Dusty Heaps**

In a Dim Room in Lithuania, a Treasure of Jewish Literature

By Michael Specter
New York Times Service

VILNIUS, Lithuania — Tens of thousands of rare Hebrew and Yiddish texts lie in dusty heaps in a Roman Catholic church in Vilnius, desiccated and forgotten. Many date from the 17th and 18th centuries, when this city became an unrivaled center of Jewish intellectual and spiritual innovation.

The books, forming what experts regard as one of the largest such collections in the world, were hidden first from the Nazis and then concealed for years from Soviet authorities under stacks of farm statistics.

They are the property of the Lithuanian National Library, whose director says he considers them a "treasure beyond value." But scholars have not been given regular access to the church and even the two women struggling to catalogue the books say they have no idea how many of them are left to examine.

"This is our legacy," said Larissa Lampert, who teaches Biblical Hebrew and Rabbinic Literature at Vilnius University, and who, along with a Holocaust survivor, Fira Bramson, has been sorting the books in an unheated and unlighted room. "This is what remains of the culture of the Jews of Lithuania. We must save it to remind people of what once flourished here."

But finding a way — and a place — to do that has proven nearly impossible. Only about 4,000 Jews, most of them elderly, are left in Lithuania, and community leaders say that these books are their last powerful link to a heritage that the Nazis and then the Russians tried hard to obliterate.

Jewish scholars say that the books, collected from the most important and renowned yeshivas and libraries in Eastern Europe, no longer belong in Lithuania. They consider their presence here — where the Nazis killed 240,000 Jews and came closer than in any other country to wiping out the entire Jewish population — to be useless and absurd.

"These books are priceless and they belong to the Jewish people," said Allan Nadler, director of research at Yivo, the institute devoted to Jewish and Yiddish culture and scholarship that was based in Vilnius from 1925 and moved to New York after World War II. Mr. Nadler is one of the few scholars to have spent more than an hour or so searching the stacks.

"There is nothing like this collection in the world," he said. "And they are of virtually no use to anyone living in Lithuania today. I don't care if they come to New York or to Jerusalem or somewhere else where the Jewish people can have access to them. But for them to sit in a church in Lithuania is an outrage."

Many of the Jews who remain in Vilnius, however, say that to strip this country of that legacy of intellect and discovery would be to defeat 600 years of a culture in a place once so vital and central to Jewish thought that it was called the "Jerusalem of the north."

It is hard to exaggerate the importance of Vilna, as it is called in Yiddish, to the development of Jewish culture over the last 300 years. At the turn of this century there were more than 100 synagogues here and nearly 40 percent of the population was Jewish.

Six daily Yiddish papers were published. The Bund, the Jewish labor guild, was founded here and so was the Vilna Troupe, perhaps the Yiddish-speaking world's greatest repertory theater. The Strashun Library, one of the modern Jewish world's landmark centers of learning, was also in Vilnius.

Now, books written more than 200 years ago by Elijah ben Solomon Zalmen, known as the Gaon of Vilna, sit next to aging radiators unrestored and in bone-dry conditions. Elijah ben Solomon Zalmen, whose famous nickname refers to the cobblestone street he lived on, is often regarded as the most rigorous force behind the Jewish Enlightenment, urging Jews to study grammar, astronomy and other disciplines as well as the Torah.

Badly damaged Hebrew translations of Aristotle dating from the 17th century are among the books the librarians have discovered.

"We have no idea how much more of it is in there," Miss Lampert said. "It is impossible to get at everything quickly with the resources we have available."

The library's director, Vladis Bulavas, refused to let a reporter into the church because he said there was no "scholarly purpose" in seeking to examine the books. But Miss Lampert said that among the books locked up there were thousands of first editions published here by the Romm Press, which became by the 19th century the largest publishing house of Hebrew and Yiddish texts in the world.

There are also what she described as "masses" of books taken from the yeshiva, or school for talmudic studies, in the western Lithuanian town of Telshay, a place that scholars rank among the most important of all Jewish educational institutions.

"Is there some simple way to resolve this?" said Mikhail Jakobas, director of one of two Hebrew schools remaining in Lithuania. "No, of course not. But I came from Telshay. And I wonder now did my grandfather write in the margins of those books? Are they what turned my father into a great and learned man?"

"I can't say that this will ever be a center of Jewish learning again," he added. "I know that our renaissance here is in the past. But books are our love and our obligation. And as much as I admit that more people would use them someplace else, I cannot hope to see them leave. Too much has left here already."

Mr. Jakobas, who said he never encourages his bright young students to stay in Lithuania if there is a chance to live elsewhere, would like to see an international group of scholars meet and decide the fate of the texts. Like many people here, what he would like most is to find money for a library where the books would be treated properly and scholars could use them in a dignified setting.

The entire annual budget for the National Library — the equivalent of $100,000 — is not enough to keep the lights on in all the rooms throughout the winter.

The Jews of Vilnius today are struggling. Most remain here because they are old or because their parents are too sick to move. A greater percentage of Jews left this country after the Soviet Union broke apart than left any other republic, including Russia.

There are groups, like the Lubavitcher, trying to bring Jewish culture back. But it is not easy.

"I am a practical man," said Sholom Ber Krinsky, a Lubavitcher rabbi who has lived in Vilnius for three years and is working hard at rekindling the community. "The books are being treated shamefully and I don't believe they will ever be used properly here. They need to be rescued even if that means taken from us."

MR. BULAVAS, the library's director, began an interview by insisting that the books could never leave the country. "They are our national heritage," he said. "They belong to nobody else."

He then said he would be happy to "trade" the books for equally valuable riches stolen by Germany or Russia from Lithuania if such loot could be produced. "Certainly," he said, "it is worth exploring the question of what could be offered to us."

This type of talk has angered many of those who believe the books belong in Lithuania. It has also infuriated people who say that the library has no real interest in them. Most of the books were published in Poland, the country Vilnius was in until it was transferred to Lithuania under the Molotov-Ribbentrop Pact in 1939. By the next summer the Soviet Union had taken over the country.

"How you interpret property rights in this part of the world is extremely difficult," said Michael Stanislawski, a professor who specializes in Jewish history at Columbia University. "Of course I would prefer that these books be in New York or Jerusalem."

"But we have to be careful here," he added. "Jews are in an awkward situation. We constantly protest that they write history in countries like Lithuania that excludes the Jews. Yet we are always trying to take Jewish material away from there."

There are now many ways of copying books — even manuscripts — and sending those copies abroad or even posting them on the Internet. The U.S. Library of Congress sent microfilming equipment two years ago to Vilnius so librarians could copy 75,000 Yiddish and Hebrew periodicals found in the church. But that project does not include the books.

"Unfortunately, these books and the Jews here are one," said Mr. Jakobas, the director of the Hebrew school. "Maybe the best thing in the world is for the books to go and for the Jews to go.

"But if the books go we should not be naive. It means the Jews are gone, too."



The New York Times

The Strashun Library in Vilnius, once a world center of Jewish learning, in a 1939 photograph. At the turn of the century there were more than 100 synagogues in the Lithuanian capital.

Scouring Ivory Coast's Rain Forest for Clues to a Virus

By Howard W. French
New York Times Service

TAI FOREST, Ivory Coast — From the eternal damp of the rain forest floor, where the daytime darkness and the loud chatter of monkeys and birds overhead reinforce a suffocating sense of closeness, Krowah Bleou sets out each day, shimmying up a ladder toward the treetops.

His climb of 120 feet (35 meters) initially follows the vaulting trunk of a huge hardwood tree, before he turns onto a walkway suspended dizzyingly in thin air, where boards lashed together with ropes and cables link one soaring tree to another in a swaying catwalk to the canopy.

Most days, Mr. Bleou's acrobatic skills pay off with a yield of bats, tree shrews and other small mammals that he retrieves from a series of traps and nets that hang high above the ground.

But it is only back at a nearby forest research station, if at all, that blood tests and autopsies on these creatures will uncover the ultimate prey: the elusive pathogen responsible for the deadly Ebola virus.

Eighteen months after an Ebola outbreak in Kikwit, Zaire, killed at least 244 people and gave worldwide notoriety to a gruesome but rare hemorrhagic fever, an international team of scientists has chosen this remote national park as the front line in the fight against the disease.

The Kikwit outbreak gave health-care specialists important insights into the progression of the disease and what public health procedures are needed to prevent its spread. But scientists' search in western Zaire for the natural host of the virus — the plant or animal in which it lives while not ravaging humans or other primates — turned up little.

So the scientists turned to this remote and heavily forested region of western Ivory Coast, noting its similar history of Ebola outbreaks — although smaller — among humans and its large, well-researched population of primates.

In November 1994, six months before the Kikwit outbreak, a Swiss researcher came down with a virulent illness after performing an autopsy on a chimpanzee. Although she survived, she was near death before doctors realized they were dealing with a case of Ebola.

"It had been 15 years since there had been an Ebola outbreak anywhere in Africa," said Dr. Pierre Formenty, a French veterinary specialist, "so we were very far from suspecting that this could be a case of Ebola." Dr. Formenty heads the project here, which is financed by the World Health Organization.

A year later, a Liberian man straggled, seriously ill, across the border into a village not far from here, and blood tests later confirmed reports of Ebola in the area.

Meanwhile, chimpanzees in the 800-square-mile (2,100-square-kilometer) Tai Forest have been found to be killed quickly by the virus, much as humans are, which ruled them out as hosts.

Dr. Formenty's task is to find out how the chimpanzees become infected and thus discover the virus's home between outbreaks. If they have not yet stumbled on a culprit, he and his colleagues have produced what they consider promising leads. They are working toward a theory on the disease's chain of transmission. Last month, a pack of chimpanzees was found eating the badly decomposed cadaver of a red colobus monkey — the chimp's natural prey — whose autopsy later showed signs of death from an Ebola-like fever.

Tropical bats can be infected with the Ebola virus without being incapacitated. This makes them a candidate for the pathogen's natural host.

Dr. Formenty's team has stepped up its attention to the red colobus, an agile 15-to-20-pound (7-to-9-kilogram) animal, and the small mammals with which it shares its environment. It has been shown in laboratories, for example, that certain tropical bats can be infected with the Ebola virus without being incapacitated or killed by the disease. This would make them a candidate for the pathogen's natural host.

Researchers have also noted that in Ivory Coast, Ebola outbreaks have tended to occur in November, just as the rainy season is ending.

This has led them to wonder about a link to seasonal changes in the monkeys' habits.

The colobus tend, for example, to take shelter from the heavy, sustained rainfall in tree hollows, which they share with bats and other creatures. The weather also causes changes in their diet, which might help explain the disease's spread.

The team is being helped in its pursuit by experts from the U.S. Army Medical Research Institute of Infectious Diseases. They are involved in setting up two laboratories — one in the field, to identify Ebola antibodies in captured forest animals, and another in the country's economic capital, Abidjan.

For Dr. Formenty, who has worked several years in rural Ivory Coast, public health concerns are as important as pure science.

"Our main purpose is to find the natural host of this virus," he said, "but our second reason for being here is just as vital. Foreign specialists are not always standing by to swoop in when there is an outbreak, so we must develop an effective early-warning system for this disease. Local medical authorities have to be able to identify the disease quickly and local populations have to know how to avoid spreading it."

The biggest risk of human outbreaks comes from commercial development, which brings people closer to the unknown source of infection. All around the reserve, huge stretches that were heavily forested less than a generation ago are now a mangled wasteland of felled trees and scorched earth.

As pressure on land has increased in Ivory Coast, an agricultural country, loggers of tropical hardwoods have been moving steadily westward into this area. They have been followed by cocoa farmers fleeing exhausted land elsewhere. And with the planters have come poachers, who hunt the monkeys and other small game prized in local markets.

For all the sophisticated equipment being put in place to help find the virus, life at the Tai Forest research station remains surprisingly crude.

A handful of Western scientists live on the grounds in concrete bungalows, cut off from telephones, running water and, except when a small diesel generator is running, electricity.

Correction

A brief article in Nov. 17 editions on a service in the Irish midlands that allows communicants to phone in their confessions neglected to indicate that the bishop who originated the service, Michael Cox, is a Tridentine. The Tridentine church is a staunchly traditional branch of Roman Catholicism that still celebrates Mass in Latin in defiance of Vatican rulings.

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New Setback for Mother Teresa

But She Responds Well to Treatment After Heart Failure

The Associated Press

CALCUTTA — Mother Teresa suffered renewed heart failure and breathing problems but was in near-stable condition Sunday after doctors resumed drug treatment to stabilize her heartbeat.

Dr. Asim Bardhan said that while the 86-year-old Roman Catholic nun continued to experience an irregular heartbeat and trouble with the left ventricle of her heart, she was progressing well.

Dr. Sudipto Kumar Sen said Mother Teresa was in near-stable condition and on an oxygen mask. He said her left ventricle, one of four chambers of the heart, was not pumping properly.

Mother Teresa has been in the intensive-care unit of Woodlands Nursing Home since Friday. She was admitted after complaining of chest pains.

Doctors had removed drips supplying heart medication late Saturday, but she developed breathing problems and doctors detected a repeat of the failure of the left ventricle, said Dr. Dinamani Banerjee, one of the six physicians treating her.

"There was no heart attack, but there was heart failure caused by longtime arrhythmia," or irregular heartbeat, he said.

Because of her irregular heartbeat, he said, Mother Teresa's heart has not been functioning at its normal capacity, which sometimes leads to heart failure.

After conducting several tests Sunday afternoon, doctors said there were no signs that her condition had worsened since admission Friday.

Dr. Banerjee said Mother Teresa would have to remain in the nursing home for several more days before she would become fully stable.

The recipient of the 1979 Nobel Peace Prize has suffered two heart attacks and has a pacemaker.

The Missionaries of Charity organization founded by Mother Teresa operates 517 centers around the world, including 169 in India. Aides have taken over more and more day-to-day responsibilities since Mother Teresa's health began to decline.

In April, she was hospitalized after breaking her collar bone.

In July, she became seriously ill with malaria and a chest infection. She was back in the hospital the next month after falling from a chair.

TRAVEL UPDATE

More Looted Art at Hermitage

MOSCOW (AP) — Opening up another vault of art treasures looted by the Red Army at the end of World War II, the Hermitage Museum in St. Petersburg has said it will begin a display of old European drawings believed lost in the war.

The exhibition, which opens Dec. 3, includes works by Paul Cezanne, Vincent Van Gogh, Francisco Goya and Eugene Delacroix. Many of the 89 watercolors, drawings and gouaches in the new show come from the same collections as the Impressionist paintings that caused such an uproar over ownership when the Hermitage exhibited them last year.

Record Profits for China Tourism

BEIJING (Reuters) — The tourism industry in China is expected to earn a record $10 billion in foreign exchange in 1996, up 15 percent from 1995, the Xinhua press agency said Sunday. The number of trips to China by foreign tourists were expected to increase by more than 10 percent in 1996, Xinhua said, quoting the China National Tourism Administration.

Egypt to Build Red Sea Marina

CAIRO (AFP) — The Egyptian Tourism Ministry announced plans Sunday to start building a $22-million marina next year near the Red Sea resort of Sharm el Sheikh. Meanwhile, Mustafa Ghoneimi, head of tourism for the south Sinai region, said tourist activity there had returned to normal after the disruption caused by floods last week.

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Bosnia-Herzegovina, Burma, Suriname.
TUESDAY: Mongolia.
WEDNESDAY: Burma.
THURSDAY: Albania, Chad, Mauritania, Panama, Puerto Rico, Serbia, United States.
FRIDAY: Barbados, Philippines, Serbia, Yemen, Yugoslavia.

Sources: J.P. Morgan, Reuters, Bloomberg.

WEATHER

Europe

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
Algarve	18/59	12/53 s	19/66	14/57 c
Amsterdam	7/44	4/39 sh	7/44	1/34 c
Ancona	12/53	0/32 c	10/50	2/35 sh
Athens	14/57	5/41 s	12/53	9/48 pc
Barcelona	13/55	12/53 sh	17/62	11/52 pc
Belgrade	2/35	-3/27 c	8/46	7/44 sh
Berlin	2/35	-1/31 c	3/37	-3/27 sn
Brussels	7/44	4/39 sh	7/44	2/35 sh
Budapest	1/34	-3/27 pc	3/37	2/35 sn
Copenhagen	3/37	0/32 c	3/37	-3/27 c
Costa Del Sol	20/68	12/53 s	18/64	14/57 c
Dublin	10/50	6/43 sh	11/52	5/41 c
Edinburgh	8/46	3/37 sh	7/44	2/35 pc
Florence	7/44	5/41 c	12/53	3/37 pc
Frankfurt	1/34	-3/27 sh	2/35	-2/29 sn
Geneva	3/37	0/32 r	6/43	1/34 r
Helsinki	-1/31	-4/25 sl	-1/31	-3/27 sn
Istanbul	12/53	1/34 r	8/46	4/39 s
Las Palmas	21/70	16/61 s	21/70	16/61 s
Lisbon	16/61	13/55 pc	18/64	13/55 c
London	9/48	5/41 sh	9/48	4/39 pc
Madrid	12/53	9/48 sh	15/59	8/46 c
Mallorca	13/55	12/53 sh	18/61	12/53 pc
Milan	2/35	0/32 sn	8/46	-1/31 c
Moscow	7/44	3/37 c	3/37	-3/27 sn
Munich	0/32	-1/31 sl	3/37	-3/27 r
Nice	10/50	9/48 r	15/59	6/43 s
Oslo	-2/29	-6/22 sn	-2/29	-8/18 sl
Paris	8/46	3/37 sh	8/46	2/35 pc
Prague	0/32	-3/27 pc	1/34	-4/25 sn
Reykjavik	1/34	0/32 pc	4/39	3/37 r
Rome	9/48	8/46 c	15/59	6/43 r
St. Petersburg	1/34	0/32 sn	4/39	2/35 r
Stockholm	1/34	-3/27 c	0/32	-6/22 pc
Strasbourg	4/39	2/35 sh	5/41	-1/31 sn
Tallinn	-1/31	-4/25 sl	0/32	-1/31 sn
Venice	3/37	1/34 c	9/48	2/35 sh
Vienna	1/34	-2/29 pc	7/37	1/34 pc
Warsaw	-1/31	-3/27 sn	1/34	-2/29 c
Zurich	2/35	0/32 r	4/39	-1/31 sn

Middle East

Abu Dhabi	27/80	16/59 s	29/84	14/57 s
Beirut	24/75	19/61 s	22/73	15/59 pc
Cairo	25/77	14/57 pc	23/73	12/53 pc
Damascus	20/68	8/46 s	19/66	9/48 pc
Jerusalem	19/66	8/46 s	19/66	8/46 pc
Luxor	29/79	11/52 s	27/80	6/43 s
Riyadh	23/73	12/53 pc	27/80	13/55 pc

Asia

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
Bali	34/93	23/73 pc	34/93	23/73 s
Bangkok	31/88	23/73 c	31/88	23/73 c
Beijing	12/53	0/43 pc	13/55	-1/31 pc
Bombay	32/89	19/66 s	32/89	19/66 s
Calcutta	27/80	15/59 s	28/82	14/57 s
Chiang Mai	31/88	20/68 c	31/88	21/70 c
Colombo	29/84	24/75 sh	29/84	24/75 t
Hanoi	28/82	21/70 pc	28/82	22/71 pc
Ho Chi Minh	33/91	23/73 pc	33/91	23/73 c
Hong Kong	25/77	21/70 pc	27/80	21/70 pc
Islamabad	25/77	2/35 s	24/75	3/37 s
Jakarta	32/89	24/75 pc	32/89	24/75 pc
Karachi	33/91	13/55 s	33/91	13/55 s
K. Lumpur	32/89	23/73 t	32/89	23/73 t
K. Kinabalu	31/88	22/71 t	30/86	22/71 t
Manila	31/88	23/73 t	31/88	23/73 t
New Delhi	28/82	5/41 s	28/82	5/41 s
Phnom Penh	31/88	23/73 pc	30/86	23/73 c
Pudtai	31/88	22/71 c	31/88	22/71 c
Rangoon	31/88	23/73 s	30/86	23/71 c
Seoul	11/52	3/37 pc	10/50	0/43 r
Shanghai	18/64	14/57 pc	18/64	7/44 r
Singapore	31/88	23/73 t	30/86	23/73 t
Taipei	28/79	21/70 pc	28/82	23/73 pc
Tokyo	16/59	8/46 pc	11/52	5/41 pc
Yerifana	27/80	22/71 pc	29/84	22/71 pc

Africa

Algiers	21/70	12/53 s	19/66	12/53 c
Cape Town	15/59	5/41 pc	20/68	12/53 s
Casablanca	22/71	11/52 s	20/68	12/53 s
Harare	29/82	14/57 pc	27/80	10/50 pc
Lagos	32/89	23/73 s	30/86	23/71 pc
Nairobi	25/77	13/55 pc	26/82	13/55 pc
Tunis	15/59	5/41 pc	18/64	13/55 sh

Latin America

Buenos Aires	22/80	13/55 s	28/79	16/61 s
Caracas	31/88	23/73 c	31/88	24/75 pc
Lima	26/79	18/64 s	28/70	19/66 s
Mexico City	19/66	5/41 c	21/70	5/41 c
Rio de Janeiro	28/73	15/59 pc	29/71	16/61 c
Santiago	27/80	13/55 pc	24/75	9/48 pc

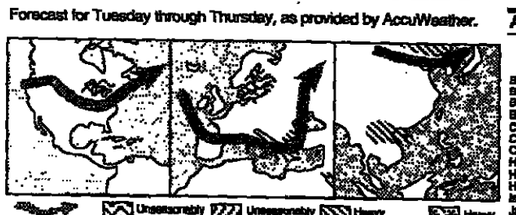
Oceania

Auckland	17/62	12/53 c	20/68	13/55 pc
Sydney	29/79	20/68 s	29/82	21/70 pc

North America

	Today High	Today Low/W	Tomorrow High	Tomorrow Low/W
Anchorage	-6/22	-9/16 pc	-2/29	-7/20 sf
Atlanta	17/62	9/48 sh	13/55	-1/31 pc
Boston	8/46	3/37 sh	7/44	-1/31 sn
Chicago	0/32	-7/20 pc	-1/31	-9/16 pc
Dallas	4/39	-3/29 pc	11/52	-2/29 s
Denver	10/50	-7/20 pc	4/39	-9/16 pc
Detroit	2/35	-4/25 pc	2/35	-7/20 pc
Honolulu	29/84	21/70 pc	30/86	21/70 pc
Houston	11/52	2/35 pc	14/57	3/35 pc
Los Angeles	28/79	8/46 s	27/80	11/52 s
Miami	28/79	20/68 pc	27/80	19/66 pc
Minneapolis	-9/22	-13/9 pc	-7/20	-14/7 pc
Montreal	1/34	-7/20 c	2/35	-10/15 pc
Nassau	27/80	22/71 s	29/84	22/71 pc
New York	9/48	7/44 sh	8/46	7/34 sh
Orlando	29/79	17/62 pc	29/79	13/53 pc
Phoenix	23/73	9/48 s	24/75	8/46 pc
San Fran.	17/62	9/48 s	19/66	8/46 s
Seattle	7/44	6/43 sh	11/52	7/44 sh
Toronto	3/37	-6/22 c	3/37	-10/15 pc
Vancouver	4/39	1/34 sh	12/53	3/37 s
Washington	14/57	7/44 sh	12/53	-1/31 sh

Forecast for Tuesday through Thursday, as provided by AccuWeather.



North America
Cold air moves into the east Tuesday. Temperatures in Philadelphia and New York City will only reach the lower 40s by Wednesday. Cold air will continue to hold its grasp on the Upper Midwest. Rain and mountain snows in the Pacific Northwest.

Europe
A Mediterranean storm will spread heavy rains across Greece and the Balkan states during midweek, while Spain will be dry and comfortable. Mild with some sun in London and Paris Tuesday, then windy and colder with showers. Cold with snow from southern Sweden into Germany.

Asia
Mild in Tokyo and Osaka Tuesday with some sunshine, then showers Tuesday night will be followed by dry but colder weather. Seoul will have showers of rain changing to snow Tuesday, then dry and much colder into Thursday. Beijing will be sunny, dry and very cold through the period.

Legends: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1996

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THE AMERICAS

Keeping It Short In Simpson Trial

Plaintiffs Avoid Old Errors

By Carey Goldberg
New York Times Service

SANTA MONICA, California — *Brevity.* That, say legal experts, is the soul of the civil case against O.J. Simpson.

And that conciseness, they add, is largely why the plaintiffs in the civil trial appear to be doing so much better than the prosecutors whose criminal case sometimes seemed to go on for soporific centuries.

As Mr. Simpson took the stand Friday for the first time, his testimony struck legal analysts as especially critical in view of the apparent success of the plaintiffs' case against him so far.

"The plaintiffs have learned the key lesson that less is more," said Laurie Levenson, dean of Loyola Law School and a faithful follower of the untelevised civil trial.

"They've taken the same evidence and pretty much the same witnesses and presented it better. It's better focused. They've anticipated moves by the defense and made preemptive strikes. And they've done a good job of moving their vulnerable witnesses on and off the stand and moving this case so quickly that there's not enough for the defense to hurt them on."

The evidence now being presented — the blood, hair, fibers, timetable and more — was not enough, last time around, to convict Mr. Simpson on charges that he murdered his former wife, Nicole Brown Simpson, and her friend, Ronald Goldman, in June 1994. He was acquitted last year.

But in the wrongful death suit Mr. Simpson now faces, brought by relatives of the victims, the rules are less advantageous for the defendant — from the lesser burden of proof required for a finding against him to the lesser requirement that the judge bend over backward to protect Mr. Simpson's rights.

Legal observers say the physical evidence linking Mr. Simpson to the killings carries much more of a punch this time than the drawn-out expositions on DNA and stab angles by the prosecution in the criminal case.

Take the example of Dr. Robin Cotton, said Robert Pugsley, a professor at Southwestern University School of Law. Dr. Cotton, a DNA expert, testified for less than a day in the civil trial, he said, while in the criminal trial she testified four days for the prosecution and underwent two more days of cross-examination.

"That more than anything symbolizes the different approach," Mr. Pugsley said. The civil trial "is being handled in a very focused way and one that seems to reduce the unnecessary complexity that clouded the same evidence in the criminal trial."

Differences in other witnesses' time on the stand are even more striking, other legal observers say. Dennis Fung, the police evidence collector who testified for nine days last year, spoke for not much more than an hour in the civil trial.

Philip L. Vannatter, the former police detective who was on the stand in the criminal trial for five days, was whisked on and off in half an hour in the civil trial.

Though those witnesses may be called again when the defense mounts its case, their drive-through testimony spotlights the plaintiffs' tactic of keeping the focus narrow and thus avoiding the creation of unnecessary vulnerabilities. The criminal prosecution's case took six months; some are saying the plaintiffs' case, led by Daniel Petrocelli, may take only six weeks.

"They have tried a very lean case," said Jeffrey Toobin, author of a recent book on the criminal trial, "The Run of His Life" (Random House, 1996).

Mr. Toobin added that the plaintiffs have also been helped a great deal by Judge Hiroshi Fujisaki, the schoolmasterish arbiter who has kept the defense from "far-fetched hypothesizing" in the case. The criminal-trial defense team contended that Mr. Simpson was the victim of racist, incompetent police officers intent on framing him.

By barring the introduction of testimony by Mark Fuhrman, the police detective who denied making racist remarks and later pleaded guilty to perjury, Judge Fujisaki showed he had "decided to keep the race card out of this case," said Mr. Pugsley. It was another move that was advantageous for the plaintiffs, although the move may have laid the foundation for an appeal.

Mainly, the plaintiffs have learned from the criminal trial that they must not allow the defense to outflank them before it even opened its own case, analysts said.

The criminal prosecution stumbled into the pitfalls of various witnesses and pieces of evidence, and now the plaintiffs are carefully skirting them. (For example, they are unlikely to ask Mr. Simpson to try on a glove after the debacle at the criminal trial when he struggled to get on the famous "bloody glove" and complained that it was too small.)

"Mistakes were made," Mr. Pugsley said, "and the plaintiffs are clearly benefiting from not repeating them."



Mike Nelson/Agence France-Presse

A pro-O.J. Simpson demonstrator shoving a placard into the face of an anti-Simpson protester in Santa Monica.

AMERICAN TOPICS

Vegetarian Bus Driver Wins Some Lettuce

A bus driver in Orange County, California, who was dismissed for refusing to pass out promotional coupons for free hamburgers because of his strongly held beliefs as a vegetarian, has accepted a $50,000 settlement from the county transit authority.

Bruce Anderson, 38, was fired in June, on grounds of insubordination, after he refused to take part in the burger promotion. He sued the agency and filed a complaint with the U.S. Equal Employment Opportunity Commission, making himself a sort of folk hero to vegetarians, reports the Los Angeles Times.

The commission found in his favor, saying that while his beliefs were not directly religious, they were held "with the strength of traditional religious views." And now the transit authority, while not admitting error, has settled and agreed to respect such beliefs among employees in the future.

Short Takes

Standing in a dirt parking lot with a lion cage a few steps away, the Reverend Jerry Hogan was asked by a circus performer to hear a confession. No problem. But the big cat was uncomfortably close, Father Hogan said later. "It's a good thing he couldn't talk, because he could've broken the seal of confession." It was all in a day's work for Father Hogan, 50, the vicar of a bustling Catholic congregation in North Andover, Massachusetts. But at least 100 days a year he is on the road with a dozen traveling circuses as the official circus chaplain for the U.S. Catholic Conference. He prepares families for baptisms and confirmations, counsels them during tragedies and hears confessions. "I love my priesthood and I love the circus," he said. "To combine both professions, it's exciting." He has yet to be asked to perform a marriage on the high wire.

A proposal before the New Jersey legislature stipulating that women could breast-feed babies only in designated places has been dropped, following protests from women's groups. The legislation was inspired by two 1994 incidents, reports The Philadelphia Inquirer. In one, a woman was arrested for disorderly conduct after she refused to stop nursing her child in the food court of a shopping mall. In the other, a woman was asked to leave a toy store when she was seen nursing her baby in an aisle.

International Herald Tribune

In Watershed, Officials Want FBI To Question Campaign Donors

By Pierre Thomas and Roberto Suro
Washington Post Service

WASHINGTON — Senior Justice Department officials have decided that FBI agents should interview contributors to the Democratic National Committee, the first clear sign that the department sees potential criminal misconduct over questionable campaign donations.

According to senior officials, the Justice Department is particularly interested in allegations that donors illegally made contributions using other people's money. Allegations of potential misconduct by John Huang, a former Democratic National Committee and Commerce Department official, will very likely be pursued vigorously, the officials said.

Although Attorney General Janet Reno will decide whether to seek an independent counsel or that FBI agents will be sent out to interview the donors in question, senior department officials have concluded "that some of the allegations need to be investigated more fully," a department official said.

The Democratic National Committee announced Friday that it was returning as "inappropriate" $450,000 in donations from an Indonesian couple because they did not file federal tax returns for 1995. The refund is the largest to date and brings to nearly $1.5 million the amount that the party has returned to donors since late September.

The checks from Arief and Soraya Wiriadinata were among the first questioned in newspaper accounts because the amount they gave was so large; because they had left the country, and because the woman's late father was an investor in the Lippo Group, the Indonesian financial conglomerate that once employed Mr. Huang.

As with almost all the money that the Democratic committee has returned, the Wiriadinatas' contributions were largely solicited by Mr. Huang.

The committee has sent back 16 other donations, more than half of them because the money came from foreign sources or because it appears that the donors did not contribute their own money.

It is unclear how the Justice Department will proceed.

Although one possibility would be to seek an independent counsel, officials said they might also establish a separate criminal investigation of their own, particularly if some of the questionable activities did not fall within the confines of the independent counsel statute.

POLITICAL NOTES

Ex-Clinton Aide Tells Of 'Fundamental Flaw'

NEW YORK — When his beeper went off that August afternoon, Dick Morris, the presidential adviser, quickly checked for a message.

It was the Star gossip tabloid, calling about Mr. Morris's yearlong affair with a $200-an-hour prostitute. In that moment, Mr. Morris recalled, "I knew instantly that everything was over and nothing would ever be the same."

Three months later, in his first extensive interview since the scandal, he told The Associated Press he had been egotistical and out of control before his precipitous fall from grace.

Now, with the aid of two therapists and a self-help group, Mr. Morris said he was trying to put his shattered life and troubled marriage back together. He credited his wife with helping him emerge from the "total despair" that followed his resignation Aug. 29, which followed the disclosure that he let a Washington call girl listen in on private chats with President Bill Clinton.

Mr. Morris said he and his wife, Eileen McGann, "still don't know" if their 20-year relationship will endure, and the decision will be hers.

"I had, I have, and I hope to be getting over, a fundamental flaw in my character, a fundamental weakness in my personality, a fundamental sin, if you will," Mr. Morris said. "I'm prone to being infatuated with power and believing that the rules don't apply to me."

It took him years of political campaigns to finally reach the White House, but his demise was "very quick and very sudden," he recalled. "Like being shot." *(AP)*

Reform Party Skirmishes

NEW YORK — When Ross Perot conceded on Election Day, he urged supporters of his Reform Party presidential bid to take a well-deserved rest and recharge their batteries for 1997. Now, just two weeks after President Bill Clinton's re-election, Mr. Perot and others in the party are feuding over its direction and leadership.

Governor Richard Lamm of Colorado, Mr. Perot's only rival for the party's presidential nomination, said that, for the moment, he had ruled out joining a proposed Reform Party steering committee because its membership would be limited to Mr. Perot, two Perot allies and Mr. Lamm. "I don't want to join a steering committee that is 3 to 1," Mr. Lamm said.

The committee to chart the party's course was created in a conference call last week with Mr. Perot, the founder and primary financier of the national party, his allies and party supporters from 49 states and the District of Columbia. *(NYT)*

Quote / Unquote

Representative Marge Roukema, Republican of New Jersey, demanding a larger role for Republican moderates on Capitol Hill: "I think we have to have absolutely solid commitments — and I haven't heard those solid commitments — that we are going to have a role in setting the agenda and the priorities before the fact. The moderates have to have a meaningful role so that we're not school-lunched or 'Mediscared' again." *(WP)*

Away From Politics

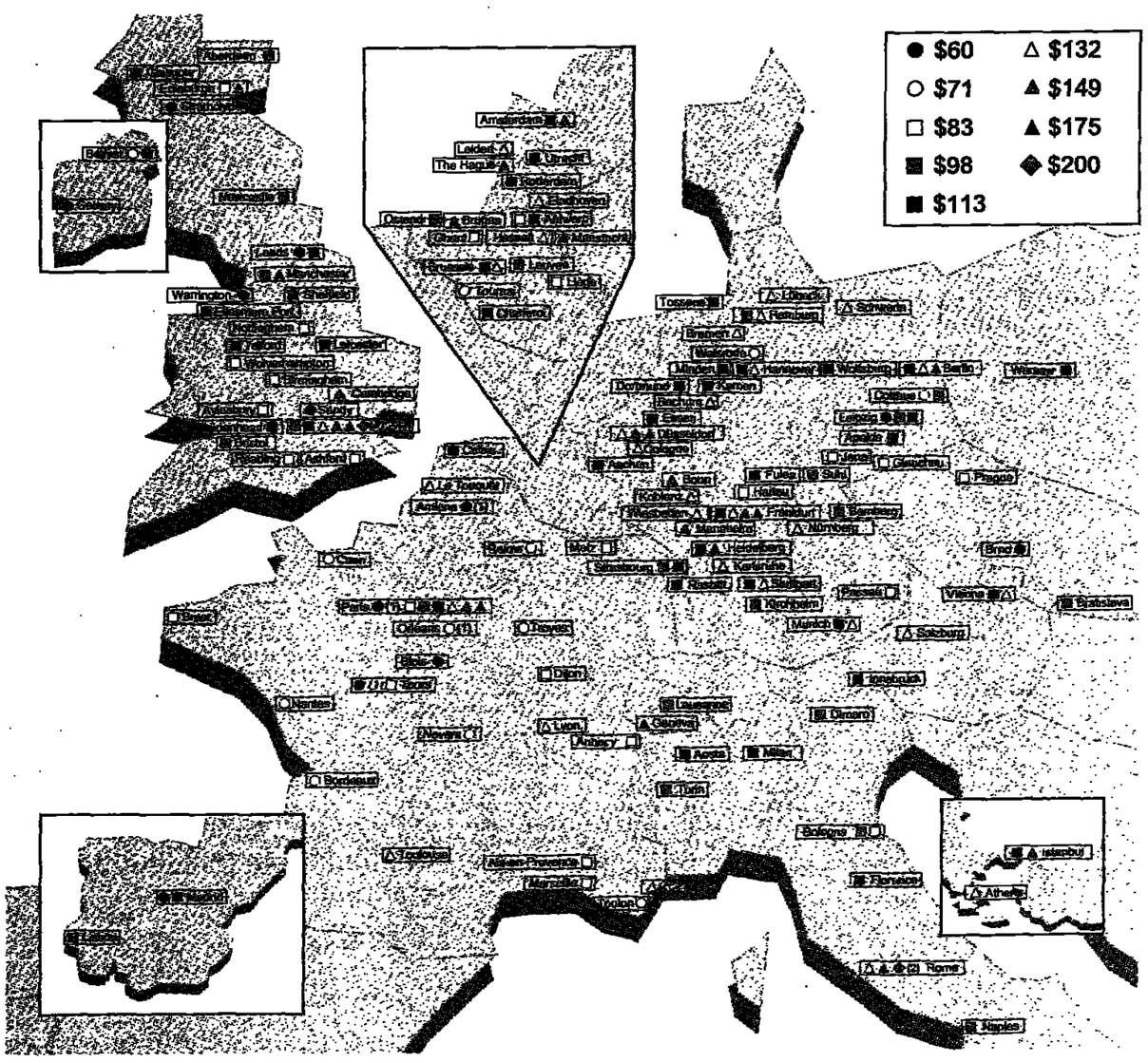
• In a ruling hailed as a victory by anti-tobacco groups, a Florida judge has set a trial date for Sept. 8 in a statewide class action against leading tobacco companies, accusing them of causing illness. It is the first scheduled trial date in a class action brought on behalf of a general population of current and former smokers. *(NYT)*

• Rescuers hunted for more survivors from an Air Force Reserve plane that plunged into the Pacific Ocean near Eureka, California, with 11 persons aboard. One person was found alive after the HC-130 Hercules aircraft, based in Oregon, went down with engine trouble during a training mission. *(AP)*

• An Amtrak train carrying mail and 113 people jumped the track, sideswiping another train as it landed in a swamp near Secaucus, New Jersey. Thirty-four people were injured, and the derailment disrupted rail service between Newark, New Jersey, and New York City all Saturday. *(AP)*

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هكذا من الاصل

Japan Moves to Cool China

It Vows No Repeat of Isles Feud or Aggression

Compiled by Our Staff From Dispatches

MANILA — Prime Minister Ryutaro Hashimoto of Japan reassured China on Sunday of its desire to resolve a dispute over a group of small islands, and he reiterated an apology for Japanese aggression in World War II, Japanese officials said.

He referred to the dispute over the islands —known as the Diaoyus to the Chinese and as the Senkakus to the Japanese — during a meeting with President Jiang Zemin of China on the sidelines of the annual conference of Asia-Pacific leaders.

Mr. Jiang was quoted as saying: "A provocation by a group of people led to the deterioration of our bilateral relations. The dispute will not be settled immediately, but both countries need to make an effort."

Japanese rightists caused an uproar in July by erecting a beacon on one of the small rocky East China Sea islands as a sign of Japan's claims of sovereignty, which is disputed by China and Taiwan.

"We do not want a repeat of the events of July that could damage Chinese-Japanese ties, and we are ready to make efforts toward that end," a senior Japanese official who attended the talks quoted Mr. Hashimoto as saying.

Chinese-Japanese ties deteriorated this year over both the islands dispute and a visit by Mr. Hashimoto to the Yasukuni Shrine in Tokyo, which is dedicated to Japan's 2.6 million war dead since the 19th century, including war criminals like General Hideki Tojo.

The Chinese Foreign Ministry spokesman, Shen Guofang, said in a separate briefing that Mr. Jiang warned Mr. Hashimoto against any resurgence of militarism in Japan and any further trouble in the islands dispute.

He also quoted Mr. Jiang as saying that Japanese government leaders should refrain from visiting the shrine. Mr. Hashimoto's visit in July was the first by a Japanese prime minister in 10 years.

Mr. Hashimoto was quoted by the Japanese official as saying Japan would not return to militarism.

"Our government inherits the war apology issued by the previous prime minister in 1995," Mr. Hashimoto said, adding, "There are no moves to bring back militarism."

The Japanese prime minister repeated a 1995 government apology for the "great damage and pain" inflicted on neighbors, including China, during World War II.

It was unusual for a prime minister to repeat the statement, but Mr. Hashimoto apparently did so to prove his sincerity, Japanese officials said.

Mr. Hashimoto also assured Mr. Jiang that Japan's moves to strengthen security ties with the United States were not directed at any other country and that Japan did not support the independence of Taiwan.

"We only ask for a peaceful solution to the China-Taiwan problem through dialogue," Mr. Hashimoto told Mr. Jiang.

Mr. Shen said Mr. Hashimoto had invited Mr. Jiang to pay a state visit to Japan next year, the 25th anniversary of the resumption of diplomatic relations between their nations.

The Japanese official said Mr. Jiang also thanked Mr. Hashimoto for Japan's continued support for China's bid to join the World Trade Organization, which regulates international trade, and for restarting work on a $5.3 billion yen loan package for China for 1996-1999.

But there was no word on lifting Japan's frozen grant-in-aid for China, worth $63 million. The grant, a fraction of the larger yen loan package, was frozen as a sanction against China's nuclear tests this year, the first time Japan had used aid as a political weapon against China. *(Reuters, AFP)*



Eric Feferberg/Reuters

JOINING THE GREATS — An honor guard standing at attention by the coffin of Andre Malraux in Paris's Pantheon during the weekend transfer of the author's remains to France's monument to its illustrious people.

CLINTON: *A Step to Reduce Strains With China*

Continued from Page 1

week, and on Sunday, Mr. Jiang invited Mr. Clinton to send a team to the site to obtain more details.

Officials said Mr. Clinton made it clear that the United States would not back down on its longtime support for a United Nations resolution condemning China's record on human rights, while Mr. Jiang repeated China's long-standing objections to U.S. arms sales to Taiwan.

The director of the CIA, John Deutch, visited China last month and told senior Clinton aides that he did not believe Mr. Jiang was in a strong enough political situation to make concessions over the next year.

U.S. officials said Sunday that it was the Chinese who proposed leaving open the timetable for the visits, in part to wait until after the Communist Party congress next fall.

Mr. Jiang hopes the congress will solidify his control of the country before the death of Deng Xiaoping, the 92-year-old ailing senior leader.

Overall, officials said, the disagreements did not dominate a session that one senior Clinton aide called "animated, responsive, a real conversation."

Aides said the tone of the meeting — the fourth between the presidents — was serious but friendly.

Human rights groups swiftly denounced the decision to hold high-level meetings, saying it had removed an important lever in U.S. efforts to persuade China to improve its handling of dissidents, workers and women.

"In his eagerness to announce a U.S.-China summit and tout the strengthening of the U.S.-China relationship as the major foreign policy achievement of his second term, Clinton seems to be on the verge of selling out on human rights," said Mike Jendrzejczyk, the Washington director of Human Rights Watch Asia, who was in Manila. He added, "If there is no political or economic pressure behind the words, the Chinese government will continue to do what it's doing now: arbitrarily arresting anyone who gets in its way."

But U.S. officials made just the opposite argument. Every American president since Richard Nixon, except for Jimmy Carter, has visited China, and officials said their goal was not to let differences over individual issues derail the entire relationship.

They noted, for example, that Washington maintained high-level contacts with the Soviet Union for years during the later decades of the Cold War.

Winston Lord, assistant secretary of state for East Asian affairs, said, "We believe that regular, high-level dialogue is the most effective way to make progress."

ASIA: *U.S. Ties Are 'Normal'*

Continued from Page 1

would continue to support a 1995 agreement in which North Korea pledged to suspend a budding nuclear program in exchange for a multibillion-dollar package of international assistance.

But U.S. officials made it plain that they labored considerably to get this statement, which also says that North Korea must take undefined "acceptable steps to resolve the submarine incident, reduce tension and avoid such provocations in the future."

Finally, Mr. Clinton's session with Prime Minister Ryutaro Hashimoto of Japan was tinged with ambivalence.

Both men have recently won re-election, and U.S. officials said their session was filled with banter and good cheer — a clear indication that the U.S.-Japan relationship has improved markedly from a year ago, when it faced a serious problem because of the rape of an Okinawa girl by U.S. military personnel stationed there. But Mr. Clinton, aides said, also pressed Mr. Hashimoto to take measures to stimulate Japan's economy to create more consumer demand, and reminded him of the inability so far of the two countries to reach new trade agreements in the insurance and civil aviation sectors.

These frustrations have been a constant.

U.S. negotiators have achieved progress in a heavily protected Japanese economy only by slogging their way through tedious talks one industry at a time.

When the forum ends with a statement by the 18 participating governments, the United States will probably be frustrated in its goal to have the organization endorse the repeal of all tariffs on computers, software and telecommunications equipment by the end of the decade.

Earlier haggling by APEC delegations yielded only a vague statement on tariff repeal with no firm deadline, but a senior administration official said that Mr. Clinton hoped he could press his fellow leaders to be more specific. Regardless of how this effort plays out, U.S. officials plainly regarded the encounter with Mr. Jiang on Sunday as the pivotal event of the trip, and they judged the session a success.

"Clearly, the relationship has stabilized and gained momentum from where we were last spring," said Winston Lord, assistant secretary of state for East Asian and Pacific affairs.

In addition to old tensions caused by China's repression of civil liberties and the United States's military support of Taiwan, there is a problem of more recent vintage.

That is Hong Kong.

The United States wants China to preserve Hong Kong's political system and its robust free market when it takes over the British colony next year.

But, in an early sign of potential trouble, China has already announced that it is rebuffing a U.S. preference by replacing Hong Kong's elected legislature with an appointed one.

APEC: *Clinton Lobbies to Open High-Tech Trade*

Continued from Page 1

"We must have the right of extended phase-in and the right to exclude sensitive sectors, at least temporarily," a Chilean official said.

Mr. Clinton is expected to seek language in the summit meeting declaration expressing support for zero tariffs on a broad range of information technology equipment by 2000, but with some flexibility in implementation to take account of such concerns.

Rodolfo Severino, the undersecretary of foreign affairs of the Philippines, said Mr. Clinton had discussed the agreement with President Fidel Ramos, the host and head of the meeting at Subic Bay.

"Discussions are going on, and it's at a rather sensitive stage," Mr. Severino said, adding that the aim was to find "an acceptable formulation" on the agreement for the leaders' statement.

But some APEC officials warned that the last-minute U.S. pressure could prompt developing members, led by Malaysia and China, to refuse to accept the new wording, creating an open split in an already diverse organization.

"The Americans are hellbent on getting this through," an Asian official said. "But I fear that the Malaysians and Chinese are not going to give in."

The United States wants an agreement that would cover a wide range of computers, software, memory chips and telecommunications equipment. The tariff phase-out would start in 1997 and be completed by 2000.

In their meeting Sunday, Mr. Clinton asked Prime Minister Ryutaro Hashimoto of Japan to help him promote the plan with the other APEC leaders, a Japanese official said. Tokyo, as a major player in the information-technology market, supports the U.S. push for free trade in the sector.

APEC foreign and trade ministers said Saturday that they had endorsed WTO efforts to conclude an information-technology agreement by the new trade body's first ministerial conference Dec. 9-13 in Singapore. They "urged all other members of the WTO to work toward that end."

FRIENDS: *Asians Concerned About U.S. Power*

Continued from Page 1

had a close interest in Washington, of course, not least because the United States remains the world's biggest and richest market. But as the controversy over foreign campaign contributions so vividly demonstrated, that interest has begun to take on a new form.

As U.S. foreign policy increasingly intrudes on how other nations organize their domestic economies — insisting, for example, that Indonesia change the way it treats factory workers, that Singapore let foreigners compete to provide telephone service and that China agree to a "road map" of market openings if it hopes to become a member of the WTO — foreign executives say they feel increasingly compelled to make themselves heard from Capitol Hill to the White House.

"You see this phenomenon all over Southeast Asia these days, and it reminds me of the political awakening of the Japanese 30 yea s ago," Thomas Hubbard, the U.S. ambassador to the Philippines and one of the State Department's most experienced diplomats in the region, said this week as his embassy scrambled to prepare for Mr. Clinton's arrival.

"There is this sudden awareness that every large company has to deal with the way Washington works, and not just the executive branch," he said. "There is a genuine rise of interest, and that's largely a good thing."

But it also carries considerable risks, as Mr. Clinton and his aides have learned the hard way in the past two months. In an interview before he left for Asia, Mr. Clinton acknowledged that the flip side of America's growing economic engagement in Asia was that his administration had become the target of far more vigorous foreign efforts to influence policy. Those efforts are in full view this weekend in Manila.

With the United States enjoying a robust economy, and Japan mired in a recession and a banking crisis, foreign business leaders who once eschewed American politics now say they have reluctantly concluded that they must begin lobbying in Washington.

The new regard for Washington is a very different note than the one commonly struck throughout Asia just three or four years ago. At that time, the United States was frequently portrayed as a declining power, a large but shrinking slice of the global economy.

Japanese politicians talked about "lazy" American workers, and business executives confidently proclaimed that the move toward open markets was making governments less and less relevant. But the surge in American financial markets, the recovery of its industrial prowess, the Clinton administration's threats of trade sanctions, and Washington's dominant role in the new WTO, have restored the United States to a central role that many Asian executives occasionally find reassuring and often find infuriating.

Survivor Retells Hijack Horror

Crash Was Like 'Earthquake'

Compiled by Our Staff From Dispatches

LE GALAWA BEACH, Comoros — An American diplomat aboard the Ethiopian airliner that crashed near the Comoros after a hijacking told Sunday of how he had thought he and his wife were going to die.

"I thought I was dead when we hit the water," said Franklin Huddle, the U.S. consul-general in Bombay.

Mr. Huddle, 53, said he and his wife, who had been sitting next to him, managed to swim free of the wreckage and headed for a windsurfer. They clung to the craft until they were taken to shore.

Mr. Huddle and his wife had been seated in business class in the front of plane, which ripped apart when it crash-landed Saturday some 500 meters (1,650 feet) offshore from the Hotel Le Galawa.

"The first bump was really gentle," he said of the crash-landing. "Then the second one was really hard. The third one was even harder, like a 70 mph auto accident. The last one was like an earthquake."

The couple had been heading for Nairobi, the next scheduled stop after Addis Ababa, Ethiopia.

Mr. Huddle said that following the hijacking, the plane flew south for a long time before swinging to the north and then the east.

"That puzzled me," he said. "I thought they were taking us to east Zaire."

"Ten minutes before we went down," he said, "the pilot said: 'We have lost one engine. We are running out of fuel. We are going to have a crash landing. Get ready.' "

One of the three hijackers then ran up the aisle to the cockpit shouting, "Sit, sit," to the passengers, Mr. Huddle said.

Other witnesses said a struggle ensued in the cockpit.

"I knew what happens when a big plane goes down," Mr. Huddle said. "The chances of surviving are like today — with about 50 survivors and 120 killed."

Mr. Huddle said the hijacking itself had been "not too bad."

"They were not high-tech hijackers — threatening types in the Middle East style," he said. "But they were terrorists, and they did not let the pilot communicate with us."

"They had no weapons as far as I know," Mr. Huddle said.

One was carrying a whiskey bottle that the hijackers said was an explosive device, witnesses said.

They also had an ax-like device and a fire extinguisher. *(Reuters, AP)*

PLANE: *52 Survivors*

Continued from Page 1

an language. "They said, 'We escaped from prison. We are against the government. We are hijacking the plane. We have an explosive. If anybody moves, we'll explode it.' "

The three were armed with something that they said was a bomb, an ax and a fire extinguisher.

The co-pilot said that one appeared drunk and carried a bottle of scotch in his hand that he had apparently looted from the duty-free cart on the plane.

He said the hijackers' only demand was that they be flown to Australia.

Ethiopian Airlines' general manager, Ahmed Kello, said, "We have now established the identity of the two hijackers who are in detention in the Comoros. They are Ethiopian."

The airline also reported that the passenger list included people from Kenya, Ethiopia, Israel, Britain, Ukraine, Cameroon, Sweden, Austria, Canada, Congo, Germany, Hungary, India, Japan, Korea, Lesotho, Somalia, Switzerland, Uganda, the United States and Yemen. *(Reuters, AP)*

Military Chiefs Select Zaire Force Options

By William Drozdiak
Washington Post Service

BERLIN — Western and African military commanders said Sunday that they had reached agreement on a range of possible missions by a multinational force that could be quickly dispatched to ensure humanitarian relief for hundreds of thousands of refugees still stranded in Zaire.

Lieutenant General Maurice Baril of Canada, designated the leader of the force, announced after a weekend of intensive meetings at U.S. military headquarters in Stuttgart that the options would be forwarded immediately to government leaders for an urgent decision on what course of action should be taken.

General Baril said the choices involved different levels of intervention. The lowest option would merely seek to contain the refugee problem by encouraging current levels of assistance.

But other possibilities would entail a serious commitment of troops and resources by establishing a force headquarters in Central Africa, airlifting food and medical supplies and sending soldiers into eastern Zaire to increase protection and security for humanitarian relief efforts.

"The mission of a multinational force, as we have defined it, would be to facilitate the delivery of humanitarian assistance and voluntary repatriation of refugees and displaced persons," he said. "The objectives of such a force would be strictly humanitarian. The force would be politically and militarily neutral."

General Baril said the tasks of any military mission in Central Africa would be "considerable and complex."

He said participating governments would be asked to provide sufficient resources to deal with the engineering, medical, aviation and other logistic needs of the force.

He did not offer details about the composition of the force and said it would be up to individual governments to determine how many troops and how much equipment they would provide once they decided which option to pursue. According to the terms of the United Nations resolution calling for its creation, the mandate of a multinational force would extend through March.

The Stuttgart strategy session brought together representatives of more than 30 nations and relief agencies.

Among African nations, military sources said only Cameroon played an active role in preparing the options. But General Baril said it was important that an African commander should be appointed to his senior staff.

He said the meeting concluded that at least 250,000 refugees were still wandering in eastern Zaire, with the possibility of 300,000 more that have not yet been confirmed by aerial reconnaissance.

As of Sunday, Western military officials said they had confirmed that 575,000 refugees returned home to Rwanda last week. But they said a new humanitarian crisis was emerging as Zairians fled their homes in the wake of battles between local Tutsi rebels and government forces, who are supported by members of the Hutu militia chased out of Rwanda two years ago.

CHUNNEL: *After the Fire, Dark Times Ahead*

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through a second undamaged tunnel tube on Thursday, but the Eurostars and the shuttle trains that carry automobiles were still waiting for the green light from the safety commission, which suspended sessions over the weekend.

Eight people, truck drivers or their passengers and the freight train crew, suffered smoke inhalation in last Monday's fire. But as details of their ordeal emerged last week, it became clear that they had had a close call, one that might not have turned out so happily if 700 people had been on a packed passenger train that caught fire.

Eurostar officials pointed out that the reasons for the fire that broke out on a trailer truck loaded on a freight car have not yet been discovered. The authorities have not yet been able to drag all of the melted-down ruins of the most seriously damaged part of the train out of the tunnel's northern tube, where an emergency signal halted it 11 miles (17 kilometers) from the French entrance Monday night.

The heat from the blaze melted down trucks on the rail cars, caused parts of the concrete lining of the tunnel bore to fall off, and damaged power and signal wires so seriously that it could be three months until repairs are complete, Dominique Maire, a spokeswoman for Eurotunnel, said Sunday.

But until the safety commission was satisfied about the security procedures for operating even a limited number of passenger trains through the south tube, she said, passenger traffic would not resume.

Fire was always recognized as the greatest potential hazard in the tunnel, but it was thought unlikely to happen more than once in ten years.

A specially pressurized emergency service tube runs parallel between the two rail tunnels, and it was through this tunnel that fire crews were able to rescue the 34 people traveling with the freight train last week.

But some of the fire safety procedures themselves have been questioned since the accident, including a directive to locomotive engineers to keep running at high speed toward the tunnel exit at the first warning of fire.

In the accident last Monday, Eurotunnel authorities said, rail crews saw flames or smoke coming from a truck in one of the last cars of the train before it disappeared into the French side of the tunnel. The engineer received a warning signal and slowed, but then resumed speed to get to the other end.

The speed of the train fanned the flames to the point where eventually another alarm, thought to have been set off when disintegrating parts of the train began damaging the tunnel, forced the engineer to stop.

LIRA: *Currency Allowed to Rejoin Exchange-Rate Mechanism*

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tain during a wave of currency speculation in September 1992. Its re-entry also gave the clearest official stamp of approval to the policies of Prime Minister Romano Prodi, whose government is pushing for a 62 trillion-lire ($41.43 billion) package of spending cuts and tax increases for 1997 to qualify Italy for monetary union.

But Germany, France and other EU countries contend that the huge devaluation of the lira, which bottomed out last year about 40 percent below its 1992 level before recovering somewhat, has shifted growth and jobs from their economies to Italy.

Many analysts say it will be difficult for the German government to persuade its citizens to accept a monetary union that includes Italy, given Rome's record of deficit spending, high inflation and devaluation.

The real issue facing ministers was not simply the lira's exchange rate but the "eminently political question" of whether Italy should be considered as a candidate to join the single currency at the start in 1999, Finance Minister Jean-Claude Juncker of Luxembourg said as he entered the closed-door meeting.

"The problem," he said, "is whether or not we want to put Italy into a position where it fulfills one of the Maastricht criteria."

The Treaty on European Union agreed to in Maastricht, the Netherlands, requires that countries keep their currency stable inside the exchange-rate mechanism for two years before entering economic and monetary union. Currency stability, in turn, reflects positively on the perception in financial markets of a country's ability to meet the other requirements of low deficits, debt, inflation and interest rates.

Finance Minister Carlo Azeglio Ciampi argued that Italy could not accept pegging the lira any higher than 1,000 to the mark, according to people present at the talks Sunday.

But Hans Tietmeyer, the president of Germany's powerful central bank, insisted that the lira should be pegged at 970 to the mark because of the competitiveness of the Italian economy, the sources said. A strong lira would make Italian goods more expensive in export markets, while making it easier for producers in other EU countries to sell in Italy.

Portugal supported Mr. Tietmeyer's hard line, sources said, an apparent sign that Lisbon realizes its chances of getting into monetary union in 1999 require German support.

France had protested the loudest over the lira's devaluation, saying it hurt France's agricultural exports to Italy and caused the French automakers Renault and Peugeot to lose significant market share to Fiat.

"Economically, it doesn't make a great deal of difference" which rate is chosen, said Darren Williams, an economist with Union Bank of Switzerland in London. "The political fallout of them not being able to agree would be enormous."

Most EU countries have pledged to intensify their budget cuts next year to qualify for monetary union, but the cuts could slow Europe's economy, aggravating the union's huge unemployment and fanning political opposition to the single currency. The European Commission has forecast that the EU economy will grow by 1.6 percent this year and 2.3 percent in 1997.

Russia Is Withdrawing Army From Chechnya

Yeltsin's Concession to Rebels Leaves Economic Ties as Moscow's Leverage

By Michael R. Gordon
New York Times Service

MOSCOW — President Boris Yeltsin ordered the withdrawal over the weekend of virtually all of the remaining Russian forces in Chechnya, in a move that will deprive Moscow of even a face-saving military presence in the breakaway region in southern Russia.

Russia wanted to maintain a small but permanent military force in Chechnya, but its two remaining brigades became a sticking point with Chechen rebels, who demanded their withdrawal.

In a concession to the rebels, Mr. Yeltsin on Saturday ordered that the troops be removed from Chechnya and stationed elsewhere in the North Caucasus, just across the border.

Before the decision, the Interior Ministry's 101st Brigade and the army's 205th Brigade were to be stationed in Chechnya indefinitely to provide a minimal level of security and to demonstrate that Chechnya was still a part of the Russian Federation.

Quoting Interior Ministry officials, the Russian news agency Interfax said the deadline for withdrawing the brigades was Jan. 27, when Chechnya is to hold elections to pick a new president and legislature.

A small number of Russian soldiers are expected to remain behind to guard key sites as members of joint Chechen-Russian patrols. And the status of the airport, which has been under Russian military control, remains to be resolved.

With the withdrawal of the troops, economic relations will become Russia's main tool for dissuading Chechnya from pressing ahead with its demands for independence, or at least to seek autonomy in a less conspicuous way.

Summing up the new Russian approach, the newspaper Segodnya recently observed: "Chechnya today is living its own life, separately from Russia. But Chechnya does not forget that its future still depends on Russia — in any case, on Russia's money."

Russia and Chechnya signed an accord this summer that leaves Chechnya's political status undecided for up to five years. But the two sides have openly disagreed on Chechnya's ultimate status. Moscow has said that Russia's territorial integrity must be maintained; Chechen leaders say they will not be satisfied with anything less than full independence.

Underscoring the decision that Russia's unsuccessful effort to apply military pressure is to be supplanted by economic leverage, Prime Minister Viktor Chernomyrdin and Aslan Maskhadov, a top leader of the Chechen rebels, signed a new agreement Saturday on economic cooperation.

The agreement calls for restoring trade, communications and road links by December. Customs regulations are to be established.

Also by December, the two sides are to conclude a new agreement on refining and transporting oil and gas. Over the weekend, the Chechen rebels promised to guarantee the security of the oil pipelines and refineries in the war-ravaged Chechen territory.

Pensions and wages are to be paid, as is compensation to victims in the bitter war in which tens of thousands of people, mostly civilians, were killed.

But Saturday's agreement lasts only until the January elections. Just who will ultimately foot the huge bill for reconstructing Chechnya remains unclear.

■ Communists Attack Pullout

Russian Communists launched a fierce attack Sunday on government concessions to the Chechen rebels, calling them treacherous moves that would break up Russia in the same way as the Soviet Union, Reuters reported from Moscow.

Mr. Chernomyrdin defended the decision to withdraw the troops.

Parliament, however, accepted a Communist call for a special debate next Friday on what the party leader, Gennadi Zyuganov, denounced as a "treacherous plan" worked out by Mr. Yeltsin's close entourage without consulting key ministers or the legislature.

The Communist-dominated State Duma has little power to overturn government policy. Liberal deputies have already come out in favor of the deal.



President Lukashenko leaving a polling booth in Minsk on Sunday.

Pushed to Political Brink, Belarus Votes on Leader

By Lee Hockstader
Washington Post Service

MOSCOW — After a months-long power struggle between the president and Parliament of the former Soviet republic of Belarus, the two sides edged closer to the brink of crisis Sunday as the nation voted in a constitutional referendum.

The proposed new constitution would grant nearly dictatorial powers to the president of Belarus, Alexander Lukashenko, extending his term in office from four years to seven and giving him broad control over Parliament and the courts.

Preliminary results of the referendum were expected early Monday.

Mr. Lukashenko's opponents in Parliament, who have threatened to impeach him this week, consider the referendum a power grab and insist it has no legal force. Mr. Lukashenko insists that the referendum, which he expects to win, be legally binding. He has threatened to dissolve Parliament if it goes ahead with impeachment.

The showdown has already sparked street violence between the president's opponents and the police, and has raised alarms in Russia and the West that Moscow might be forced to intervene militarily if its western neighbor descends further into turmoil. Top Russian leaders tried to broker a compromise late last week, but the deal unraveled within hours amid an atmosphere of hostility.

Mr. Lukashenko, 42, who was elected president in 1994, is a glowering former collective farm boss prone to populist bombast, a distaste for democratic procedures and market reforms and a nostalgia for all things Soviet.

He has fired and berated newspaper editors, monopolized television and radio channels, dismissed the head of the electoral commission, banned independent trade unions and ordered that no demonstrations be held during harvest season. He is openly hostile to the West, which he tends to blame for organizing and inciting the opposition to his rule.

Mr. Lukashenko said Sunday that the referendum was a choice "between chaos and anarchy on the one hand, and discipline and progress on the other."

Heavy turnout was reported in the referendum. Despite an economy in free fall, the president remains widely popular in Belarus, a nation of 10 million people. Many rural residents share his stated conviction that a leader should rule with an iron fist, and many elderly residents agree with Mr. Lukashenko that everything was better under Soviet power.

Journalist's Slaying Inspires Irish Reform

Organized Crime Faces New Laws

By Warren Hoge
New York Times Service

DUBLIN — Shots from a .45-caliber handgun were fired at her through the window of her cottage as she put her 5-year-old son to bed.

The country's most notorious criminal beat her up and threatened to sodomize her child and kill her family.

An intruder in a crash helmet forced his way into her home, held a gun to her temple, then lowered it to her thigh and pulled the trigger.

"No journalist believes he or she will ever be shot," Veronica Guerin, 36, wrote in early February as she recuperated from her wound. She said she would not be deterred from continuing to write about Dublin's underworld but confided that getting shot had been "the most frightening moment of my life."

Like everyone else in this society, she underestimated the hubris and ruthlessness of the drug barons who saw their fabulously lucrative business threatened by her reporting.

On June 26, she was shot to death at the wheel of her car at a suburban intersection by a hired killer.

Three days later the nation paused for an officially declared minute of national grief. Then an unusual thing happened for a land as practiced as this one is in the rites of martyrdom and the cultural tolerance of episodic death in social conflict.

Acting in her name, the government passed a series of laws giving Ireland's outmaneuvered and underfunded law enforcement agencies the ability to deal with the newly sophisticated enemy that Ms. Guerin had been writing about. Irish organized crime.

"It's terrible to think that it took the murder of a journalist in broad daylight to embarrass the government into taking action," said Tony Gregory, a member of Parliament from a drug-ridden and long neglected working class Dublin district.

"Up until the death of Veronica, the state had no strategy to combat the gangs. There have been more new agencies set up in the past few months than in the previous 15 years."

Ms. Guerin's death has prompted the country to retool a legal code designed for a different time.

"We're a modern European state with an economy that is doing very well, but crime has modernized also, and we haven't escaped it here anymore than anywhere else has," said Liz McManus, the minister for housing and urban renewal.

Of the new laws, the most immediately effective was one creating a Criminal Assets Bureau that has been aggressively confiscating money and property suspected of coming from criminal activities. A national referendum Nov. 28 will decide on a proposed constitutional change empowering judges to deny bail to suspects thought likely to commit new crimes while free.

The police say they feel certain of the identities of the two men on motorcycles responsible for killing Ms. Guerin but need to build a tight case before exercising their one-time right to detain them for questioning.

One is a 31-year-old drug runner, the other a 56-year-old gun for hire. Both have fled the country.

On Oct. 18, the police made an arrest. Paul Ward, 32, was charged with conspiracy to commit murder for allegedly having harbored the killers right after the crime. He has not yet entered a plea.

"For all the violence in the North and for the fact that the IRA operates right on our shores, this is a gentle society," said Conor Brady, onetime editor of the Garda magazine and now the editor of The Irish Times. "The hand of authority has a light touch."

The typical Irish policeman seeks equivalency with a citizen, not authority over him.

"Watch the body language," Mr. Brady said. "An American cop pulls a car over and before he walks up to the driver, he puts on his hat. An Irish policeman takes his off."

Police officers are called Gardai, pronounced Gardee. Uniformed members of the police force are unarmed, and years ago they had their gear redesigned to get rid of an exterior leather holder for their hickory batons so that they could wear them less visibly and threateningly in a trouser pocket.

Truckers Warn New Mediator: French Strike Could Worsen

Reuters

PARIS — Truckers' unions threatened Sunday to harden their protest unless a new government mediator produced quick results.

The economy has been affected by blockades of many towns and gasoline depots across the country for the last week.

After a third round of talks failed Saturday, Transport Minister Bernard Pons named a ministry official, Roger Cros, as mediator.

Until last year, Mr. Cros presided over a conciliation commission that was established after the last truckers' conflict, in 1992.

"Cros's mandate is to obtain a balanced accord between the parties, given the unions' grievances and the economic situation of haulage companies," the ministry said in a statement.

The government has agreed to help fund retirement at 55, according to the unions.

Mr. Pons met with the unions late Saturday and again late Sunday. Claude Debons, a union official, warned that if there was no progress on Sunday, the union did not rule out the possibility of spreading the movement to school and other bus services.

Mr. Debons said he was not certain that the mediator would be able to engineer a rapid solution because employers, he charged, were refusing to make concessions.

Unions are urging truckers — who are pressing for shorter working hours, wage increases and retirement at 55 instead of 60 — to hold fast in a protest that echoes a damaging 24-day rail strike a year ago that sent Prime Minister Alain Juppe's popularity plummeting.

A leader of the Democratic Labor Federation, Nicole Notat, has called a truckers' rally in Paris on Monday if talks fail to break the deadlock.

The trucking companies said in a statement that they had made as many concessions as they could, including retirement at 55 and full payment of all working hours, including time spent loading.

Tens of thousands of trucks blocked main roads around 30 cities and a dozen fuel depots. Some blockades were eased but unions said this was only to give strikers a weekend break.

The southwest, parts of the south and Normandy were all badly hit. On the highway around Caen in Normandy, two persons were killed and four injured Saturday when a car rammed a truck that had been blockading the route. The police said the car apparently skirted barriers sealing the road.

BRIEFLY EUROPE

National Front Loses Dreux Vote

PARIS — France's anti-immigration National Front lost a mayoral election Sunday in the town of Dreux, west of Paris, to the ruling-party candidate, who was backed by members of the opposition Socialist Party.

The defeat came as a blow to the National Front's leader, Jean-Marie Le Pen, who had campaigned for his party's candidate in the local election campaign in Dreux, where his far-right party scored its first breakthrough in politics in 1983.

Mayor Gerard Hamel, a member of President Jacques Chirac's Gaullist party, won 60.4 percent of the vote, while the National Front's candidate, Marie-France Stirbois, trailed with 39.4 percent in the second and final round of voting, officials said.

"Dreux now has a new voice. People have said that they do not want hatred and exclusion here, and democracy has come out on top," Mr. Hamel said in his victory speech.

Prime Minister Alain Juppe sent Mr. Hamel a message of congratulations, saying he represented values on which the nation should unite.

Supporters of the candidates clashed in the streets after the results were announced. Local officials said no one was seriously injured, but a spokesman for the National Front said one of its supporters had been stabbed in the back and taken to the hospital. *(Reuters)*

NATO Southern Post Disputed

BONN — Defense Minister Volker Ruehe of Germany sought Sunday to break an impasse between Paris and Washington over who has control of the NATO Naples-based southern command by suggesting that the post be rotated.

Mr. Ruehe said a European and a U.S. officer could alternate in the job while the U.S. 6th Fleet would be under the control of the Supreme Allied Commander of North Atlantic Treaty Organization forces in Europe, always a U.S. officer and based in Belgium.

France has been pushing for the southern command to be headed by a European, reflecting the desire on the Continent to develop its own security identity within the alliance. The United States, however, has ruled out giving up the southern command, which is currently responsible for the 6th Fleet and is integral to Washington's Middle East policy. *(Reuters)*

Klaus Coalition Wins in Senate

PRAGUE — The center-right governing coalition of Prime Minister Vaclav Klaus emerged a winner in elections to the Czech Senate, official results confirmed Sunday.

The ballot was seen as a crucial test of the staying power of Mr. Klaus's cabinet, which was forced to form a minority government after general elections in June produced a deadlocked Parliament. The coalition headed by Mr. Klaus's Civic Democratic Party won 52 places in the 81-seat upper chamber of the Parliament, according to official results released Sunday. *(AP)*

Britain Urges IRA Cease-Fire

LONDON — Britain, struggling to revive the Northern Ireland peace process, on Sunday urged the Irish Republican Army to call a lasting cease-fire and told the guerrilla group: "The ball is now in your court."

The British minister for Northern Ireland, Michael Ancram, said, "They must demonstrate openly and convincingly that this time their cease-fire would be for real and would be for good."

Sinn Fein, the political arm of the IRA, held a one-day party "conflict resolution" conference on Saturday. Its leader, Gerry Adams, said: "What we need now is the courage from Major. The key is in his hands."

He was referring to Prime Minister John Major of Britain. *(Reuters)*



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INTERNATIONAL

Abdus Salam, Physics Laureate, Dies

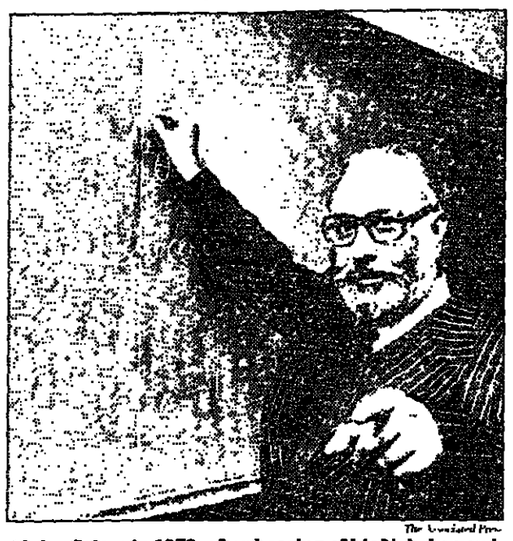
By Malcolm W. Browne
New York Times Service

NEW YORK — Abdus Salam, a Pakistani physicist whose work helped reveal the underlying unity of two of the fundamental forces of nature, died Thursday at his home in Oxford, England. He was 70 and suffered from a disabling neurological disorder.

Mr. Salam shared the 1979 Nobel Prize in Physics with two Americans, Steven Weinberg and Sheldon Glashow, for research they conducted independently of one another. Their theory on the fundamental forces is regarded as a landmark of 20th-century science.

Besides his research, Mr. Salam was a leader in international efforts to make physics accessible to students from developing countries. He was a founder of the International Center for Theoretical Physics in Trieste, Italy, which has supported the studies of Third World physicists since its founding in 1964.

Research by the three physicists culminated in equations demonstrating a fundamental relationship, or "symmetry," between the electromagnetic force (transmitted by light and other forms of radiation) and the weak nuclear force, which operates within atomic nuclei and is responsible for certain types of radioactive decay. The four known forces of nature are the electromagnetic force, the weak and strong nuclear forces, and gravity.



The Associated Press
Abdus Salam in 1979, after hearing of his Nobel award.

The three showed that although the weak and electromagnetic forces seem completely unlike one another, they nevertheless share a hidden symmetry that can be demonstrated by an extremely difficult set of equations.

Maria Casares, 74, Noted French Actress

PARIS (AFP) — Maria Casares, the French stage and film actress, died Friday a day after her 74th birthday at her home in the Charente region.

The daughter of a Spanish Republican minister who went into exile after the civil war, her career spanned half a century. From Lady Macbeth to Medea, there was hardly a major female role she had not played, and in 1993 she even played King Lear.

Miss Casares' film appearances were rare but notable. Among her film appearances were Marcel Carne's "Les Enfants du Paradis" in 1945, and Jean Cocteau's "Orphee" in 1950.

Sloan Simpson, Model Who Wed O'Dwyer

NEW YORK (NYT) — Sloan Simpson, 80, who as a young fashion model married New York's postwar mayor, William O'Dwyer, then divorced him after his term as ambassador to Mexico ended, died Friday in Dallas of lung cancer.

After their divorce in 1953, she settled in Acapulco, Mexico, where she was the city's leading society figure at a time when the resort was a magnet for the rich.

Ray Blanton, 66, Former Governor of Tennessee

JACKSON, Tennessee (AP) — Ray Blanton, 66, who went from his family construction business to become a congressman and governor of Tennessee from 1975 to 1979, only to end up in prison, died Friday of complications of a liver ailment.

He was convicted in 1981 of extortion and conspiracy for selling a liquor license to a friend while in office. He served 22 months in a federal prison.

Chuck Howard, 63, a former producer at ABC Sports and winner of 11 Emmy Awards, died Thursday of a brain tumor in Pound Ridge, New York.

George C. Ginsberg, 97, a retired commercial photographer often called "the penny philanthropist" for his modest but loyal contributions to scores of charities, died Monday of stomach cancer in Springfield, New Jersey.

Opposition Victory in Belgrade Is Annulled

Compiled by Our Staff From Dispatches

BELGRADE — The authorities annulled Sunday an opposition election victory in Belgrade, provoking outrage in the anti-government coalition.

Leaders of the three-party opposition coalition said the decision showed that the government led by President Slobodan Milosevic was making a mockery of the democratic process.

"This is proof that power cannot be won in Serbia by elections, that power is won by robbery," said Zoran Djindjic, a leader of the Zajedno — Together — coalition.

"We have now been brought to a dramatic situation in which all citizens are becoming aware that the regime in Serbia cannot be changed by elections and cannot be changed legally but only in another way — illegally, by uprisings, strikes, violence."

A municipal court annulled 33 of 60 city council seats that had been verified as won by the opposition in local elections a week ago, lawyers for the coalition said.

The ruling, which state media had not confirmed, stripped the coalition of a majority in the 110-seat city council. The authorities had previously annulled 10 seats won by the coalition.

In the Serbian capital and other towns, tens of thousands have been protesting for six days against apparent vote-rigging by Mr. Milosevic's party.

When opposition leaders started celebrating what seemed to be the opening for the first non-Communist mayor in Belgrade since World War II, Mr. Milosevic's coalition claimed irregularities and lodged hundreds of complaints with election committees and courts — both controlled by the government. They ordered a third round of voting, said Milica Nedeljkovic, an opposition representative on the electoral commission. *(Reuters, AFP)*



LANGUAGE

We Are All Iconographers Now

By William Safire

WASHINGTON — "The iconography of her face," the film critic Gene Siskel wrote in TV Guide of Marilyn Monroe, "red lips, platinum hair, blue-shadowed eyes — resembles an American flag."

That, I suppose, is why we all felt so patriotic to be lusting after Monroe; she resembled a new Old Glory. And just as movie reviewers are now called "film critics," an array of icons, or the study of the effect of icons, has come to be called *iconography*. We are all iconographers now.

Mary Tyler Moore was described in the Times magazine recently by Jonathan Van Meter as "an insecure, talented person trapped in the aura of an *icon*, struggling to find her way out." David Brinkley was said by Peter Jennings to be reducing his workload "after 15 years as the *icon* of Sunday-morning television." An *icon* need not be a person: Apple Computer's difficult moments early this year were profiled in Business Week under the title "The Fall of an American *Icon*."

Carol Schoen of New York, who teaches an Elderhostels course called "*Icons* of the 20th Century," writes: "I am troubled by the vagueness of the term. Should it refer only to people, such as Albert Einstein or Marilyn Monroe? Do the people in the picture have to be readily identifiable or can they be as unknown as the girl weeping over the fallen student at Kent State? Or can it be used, even, for pictures of events without people, such as the mushroom cloud created by the first atom bomb?"

Seven years ago in this space, under "I Like Icon," the origins of the vogue word were explored. Born in the Greek *eikon*, "to resemble," the word's earliest meaning was the material representation, or image, of a saint or angel in the Eastern Orthodox Church; that meaning evolved into "revered symbol," like a cross, crescent, or star. I remember, at a summit conference in Moscow in 1972, sneaking into an antique shop on the Arbat and asking the dealer for the item in its original sense: "*Ikony vest?*"

The breaker of religious icons in the eighth century was called an *iconoclast*, a meaning applied to the religious rebels known as Protestants in the 16th and 17th centuries, and more recently to attackers of any venerable institutions like marriage or government.

Academics latched on to *icon* in 1954, when W.K. Wimsatt called his collection of essays in the New Criticism "The Verbal Icon: Studies in the Meaning of Poetry." In semiotics, the study of signs, the form of a symbol suggests a meaning to the viewer. A poem is a "verbal icon" in the way it uses words to form figures of speech, and uses phrases to create images — all to suggest emotional meaning that words used in the prosaic way are powerless to convey.

> *The word is getting worn out from overuse, and its meaning is growing fuzzy.*

But after two generations in the iconing tower, the word is getting worn out from overuse, and its meaning is growing fuzzy.

Icon today has at least three senses. One is simple enough: "a graphic representation of an idea," like the little dingus on the computer screen that shows a garbage pail; when you click on it, the material is deleted. (I never click on it, for fear that it really means the writer gets trashed.)

Another meaning, of greater concern to literary types, is "symbol," a sign that represents, or a token that stands for, something else. A symbol ("an eagle of liberty") accentuates a likeness, while a *metaphor* ("swimming in scandal") finds a similarity in quite different things. I like to get specific about symbols: an *avatar* is the embodiment in a person of some idea. An *archetype* is an original model, or prototype, of a quality, much as the picture of a screaming student stands for protest or the image of a mushroom cloud represents destruction in Schoen's query.

"Over a thousand years after the introduction of the *icon* to the Slavs," writes the lexicographer Anne H. Soukhanov (whose latest Henry Holt book is "Word Watch"), "the word *icon* in its newest cultural sense reflects exactly the reverence that was accorded the saints at a time when 'visuals' were as important in communication as they are today in a world governed by electronically generated imagery."

A third sense of *icon*, which slops over on the second, is "idol." By this most of us mean "living idol, superstar," and its subset, "media celebrity, the famous famed for being famous." The sloppiness comes from applying icon status to a representative of a passing fancy or conferring it all too quickly on a possibly incipient icon: Newsweek, in an article on "The Carolyn Style," announced, "J.F.K. Jr.'s Bride Is Already a Fashion Icon for the '90s."

Sorry; in my book, the newest Mrs. Kennedy will have to earn her iconhood. She's still only an idol. If we're not careful, we'll be swimming in a sea of icons (which is a metaphor).

New York Times Service

BOOKS

MY DARK PLACES: An L.A. Crime Memoir

By James Ellroy. 355 pages. $25. Alfred A. Knopf.

Reviewed by
Michiko Kakutani.

IT happened in 1958 when James Ellroy was 10 years old: the body of his mother, Jean, was discovered lying in an ivy patch near the local El Monte high school, face-up in a blue dress, a nylon stocking and a cotton cord lashed around her neck. She had been dead less than 12 hours. "Her face had gone slightly purple," Ellroy writes. "She looked like a classic late-night body dump."

It's disconcerting, this tone of clinical detachment, this determination to process the murder of his mother — yes, his mother — through the language of 1950s noir fiction, but it soon becomes clear to the reader of this unnerving memoir that these are techniques that Ellroy developed, at least in part, as a means of coping with and containing the horror of his loss.

His mother's murder, Ellroy observes in "My Dark Places," is what made him a writer. It gave him an obsession with crime and crime novels. It left him with an Oedipal fascination with older women. And for many years, it fueled his love affair with alcohol and drugs. With this book, he not only reopens the police files on his mother in an attempt to solve her long-ago murder, but also sets out on a quest to come to terms with this elusive woman who posthumously dominated his life.

The resulting book is half confessional memoir, half hard-boiled crime chronicle. Indeed, there an long portions of "My Dark Places" that will remind Ellroy's reader of his novels, novels like "The Big Nowhere" and "The Black Dahlia" that read like Chandler crossed with Tarantino. Hammett hybrid with Spillane. There's the same scabrous staccato prose, the same eye for grisly details, the same intimate knowledge of the seamy side of life.

"They were a great-looking cheap couple," he recalls, "along the lines of Robert Mitchum and Jane Russell in 'Macao.'" She was a registered nurse. He was a non-certified accountant. Their acrimonious marriage ended in 1954, and Jean Ellroy moved to the hick town of El Monte in the San Gabriel Valley, what her son calls "White Trash Heaven."

Though Ellroy's mother sent him to church and made him do his homework, he saw her drinking on weekends and carrying on with men. He says his father fed his contempt. He depicted her as a lush and a whore. When her body was found, the 10-year old Ellroy rejoiced: "I hated her. I hated El Monte. Some unknown killer just bought me a brand-new beautiful life." He did not attend her funeral.

Life with Father was hardly an improvement. Ellroy's dad shared his girly magazines with him and taught him how to swear. They lived in squalor in Los Angeles.

Around this time, he discovered detective stories. He began with the Hardy boys and worked his way up to Mickey Spillane and harder stuff. "Every book I read was a twisted homage to her," he says of his mother. "Every mystery solved was my love for her in ellipses."

Ellroy was 17 when his father died, and he began to live like one of the low-lifes he describes in his novels. He began a decade of drinking and drugging: he could kill a half pint of scotch for breakfast. He was arrested for petty theft, trespassing and drunken driving.

It was writing that enabled Ellroy to channel his obsessions, his fascination with crime and his unresolved feelings about his mother into a productive outlet. He quit drinking, got a job as a caddy and began churning out books.

Ellroy's girlfriend had been urging him to find out who his mother was and why she died, and in 1994 he decided to try to reopen her police file. The remainder of "My Dark Places" recounts the story of his investigation. He and a detective tried to track down people who had known his mother and tried to reconstruct the day of her death. They struggled with senile witnesses, mendacious witnesses and witnesses who seemed to have vanished to thin air.

The reader finishes "My Dark Places" with the sense that Ellroy is still struggling with his mother's life and legacy, that closure, as it were, may always elude him. As a result, this compelling book feels somehow incomplete: it feels less like a conclusion than a beginning.

Michiko Kakutani is on the staff of The New York Times.

BRIDGE

By Alan Truscott

BRIDGE players who own a computer can improve their playing skills nowadays for a modest price, since software has improved markedly in the last five years.

One outstanding disk is "Counting at Bridge" by Mike Lawrence, a former world champion. In 100 deals, the student is led through Lawrence's thinking as he counts the lie of the opposing cards, an essential skill. This is available from him at 131 Alvarado Road, Berkeley, California 94705, for $37.95.

To follow Lawrence's thinking on the diagramed deal, cover the East-West cards. As South, he responds one spade to one club, then shows club support after West bids hearts and North raises spades. Against four spade, West takes three heart winners and plays a fourth round. East ruffs dummy's jack and South overruffs.

South draws trumps, and East follows once, then gives up two diamonds, playing high-low. Now, Lawrence stops to count. He knows that East began with exactly two spades and exactly one heart, so he had 10 minor-suit cards. Now were these divided?

Careful counting plus a negative inference provides the answer. East cannot have begun with seven or more diamonds, for he would have made a pre-emptive move over the opening one club. He must therefore have had five or six diamonds and four or five clubs.

A club lead to the ace makes everything clear. West follows suit, but it must be a singleton. When a club is led from dummy and East plays low, Lawrence finesses the eight with confidence and makes his game.

NORTH (D)
♠ A K 10 9
♡ J 6 4 3
◇ J
♣ A 6 5 4

WEST
♠ 8 6 3
♡ A K Q 10 7
◇ Q 8 6 4
♣ 9

EAST
♠ 5 4
♡ 8
◇ K 10 9 5 3 2
♣ J 10 7 3

SOUTH
♠ Q J 7 2
♡ 9 5 2
◇ A 7
♣ K Q 8 2

Neither side was vulnerable. The bidding:

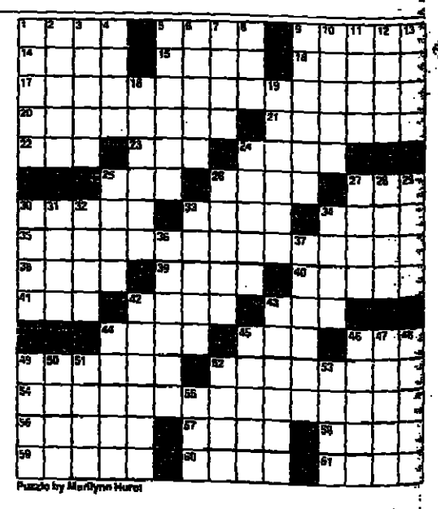
North	East	South	West
1 ♣	Pass	1 ♠	2 ♡
2 ♠	Pass	3 ♣	Pass
4 ♠	Pass	Pass	Pass

West led the heart king.

CROSSWORD

ACROSS
1 Dish of leftovers
8 Ink problem
9 Ill-tempered woman
14 Turkish official
15 Money to buy a car, maybe
16 Kind of fairy
17 1981 Treat Williams film
20 Followers of Xerxes
21 Socks cover them
22 Nevertheless
23 Weep
24 Groups entering Noah's ark
25 Yield, as a dividend
26 Actress Arthur and others
27 Taxi
30 Knight's horse
33 Jai —
34 Middling
35 1945 Mel Torme song
38 Thin
39 Start of a counting-out rhyme
40 Like an old bucket of song
41 Memorable period
42 E-mail, e.g.
43 "It's freezing!"
44 Fountain order
45 Butt
46 — — Vegas
49 Mail-related
52 Spy for the U.S.
54 1996 Hillary Clinton best seller
56 Purloined
57 More than ajar
58 — — of Man
59 Crossed one's fingers
60 Ice block
61 Toot

DOWN
1 One of the Seven Dwarfs
2 Go along (with)
3 Polo or tee
4 Storied boy with silver skates
5 Not sharp, as eyesight
6 Off one's rocker
7 Clods
8 Explosive
9 Ones copying from Dictaphones
10 Pawns
11 Disturb
12 Suffix with kitchen
13 Philosophers' questions
18 Loud insect
19 Michener best seller
24 Moist-eyed
25 Job benefit
26 Mixture
27 Boil or broil
28 "— — forgive our debtors"
29 Former German capital
30 Enticing store sign
31 Ivan or Nicholas
32 Sicilian mount
33 Rocket stage
34 Lead player
36 Compass part
37 Everyday
42 Wet through and through
43 Sheep noise
44 Unfresh
45 Missouri or Delaware
46 Renter's paper
47 Polygon's corner
48 At quite an incline
48 "Nonsense!"
50 Palindromic emperor
51 Halt
52 Superman attire
53 Silver-tongued
55 Weep



Puzzle by Marilynn Hurst

Solution to Puzzle of Nov. 22

B	A	B	Y		A	R	B	O	R		A	G	A	R
A	L	O	E		T	I	A	R	A		S	U	M	O
H	O	W	L	I	T	T	L	E	W	E	K	N	O	W
S	W	A	P	M	E	E	T			R	I	N	S	E
			I	N	S	I	S	T	O	N				
D	E	P	E	N	D		M	E	A	T		A	D	J
A	M	E	N			C	O	A	T	I		G	R	O
H	O	A	G	Y	C	A	R	M	I	C	H	A	E	L
L	I	S		A	R	I	E	S			E	T	A	L
S	E	E		W	I	N	O		C	I	N	E	M	A
			L	I	B	E	R	A	L	S				
A	R	D	E	N			I	N	A	S	E	N	S	E
G	E	O	R	G	I	A	O	N	M	Y	M	I	N	D
E	B	R	O		A	L	L	U	P		I	N	A	N
S	A	K	I		N	I	E	L	S		T	O	G	A

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North Korea Told To Ease Tensions

Clinton and Kim Join in Bid

The Associated Press

MANILA, Philippines — The presidents of the United States and South Korea demanded Sunday that North Korea take steps to reduce tensions caused by its submarine infiltration of a commando team into South Korea.

Presidents Bill Clinton and Kim Young Sam, in a joint statement after an hourlong meeting, urged Pyongyang to avoid further provocations and join in four-way talks with China.

But the two presidents did not discuss whether Pyongyang must apologize. Without an apology, Seoul has threatened not to begin work on a pair of nuclear reactors in North Korea.

Mr. Kim repeated the call for a North Korean apology earlier in the day to Prime Minister Ryutaro Hashimoto of Japan.

"This use of force threatened peace and stability on the Korean Peninsula," Mr. Kim told Mr. Hashimoto, according to a Japanese Foreign Ministry official present. "North Korea must apologize and prevent a recurrence."

Mr. Hashimoto supported Mr. Kim, saying it was up to North Korea to take measures that will satisfy South Korea, said the official, speaking on condition of anonymity.

The three leaders held their separate talks on the sidelines of a summit meeting of 18 Pacific Rim governments in Manila.

Twenty-six North Korean commandos came ashore Sept. 18, prompting military searches, stirring public anxieties and raising worries about whether the North was planning an invasion. Of these, 24 have been killed or found dead; one was captured alive and one is still at large, while 13 South Koreans have died in the hunt.

Under a U.S.-brokered deal in 1994, North Korea shut down a reactor suspected of being part of a nuclear weapons program. In return, the United States is shipping fuel oil to North Korea.

South Korea's official Yonhap press agency indicated that Seoul was prepared to enter into the four-way talks with the United States, China and North Korea whether it received an apology or not.

Citing an unidentified official accompanying Mr. Kim, Yonhap reported that those talks were offered "without condition."

China has never publicly endorsed the proposal, made by Mr. Clinton and Mr. Kim in South Korea. But Beijing indicated privately this week that it would participate if Pyongyang and Seoul agreed, Winston Lord, the U.S. assistant secretary of state for Asian affairs, said.

North Korea considers the South Korean government to be a U.S. puppet and refuses to conclude a formal end to hostilities from the 1950-53 war. It prefers to talk with Washington, which insists the Koreas negotiate directly.

■ Seoul to Return Man

In a goodwill gesture, South Korea said Sunday it would return home a North Korean soldier found drifting in its waters near the border between the two countries, The Associated Press reported from Seoul.

Corporal Chung Kwang Son, 20, a navy diver in a North Korean engineering unit, was found drifting in a fishing boat several miles south of the western sea border line Friday.

A South Korean patrol boat took him to the port of Inchon for questioning.

"The government will repatriate him to the North as soon as possible according to his own free will and for humanitarian considerations," said Yoon Chang Ro, the spokesman for the Defense Ministry.



Ryan Hernandez/Reuters

FIERY PROTEST — Demonstrators burning a sign Sunday in Manila after police barred them from staging a protest at the Subic Bay site of Monday's Asia-Pacific Economic Cooperation forum summit meeting.

Beauty Pageant Survives India Protests

By Kenneth J. Cooper
Washington Post Service

BANGALORE, India — Despite human roadblocks and rain showers, the outdoor show did go on without anyone carrying out a threat to commit suicide to protest the Miss World pageant.

The crown went to Miss Greece, Irene Skliva, 18, a professional model.

The leader of a women's group had threatened that a dozen members would sneak into the cricket stadium and set fire to themselves Saturday to protest what they called the dishonoring of Indian women.

But tight security that banned matches and cigarette lighters apparently succeeded in keeping the protesters out.

Kinay Narayana Shashikala, the group's leader, went into hiding Thursday to avoid arrest under a preventive detention law. Her disappearance and uncertainty about the identity of her followers raised questions about whether the suicide threat was made to promote the anti-pageant views of a Hindu nationalist party, which controlled media access to Miss Shashikala.

"We have no identification of others. Who are the others? It seems she is a one-woman army," S.C. Burman, Bangalore's police chief, said.

Police did arrest more than 1,300 anti-pageant protesters, ranging from feminists and students to Marxists and Hindu nationalists.

Hundreds of Hindu nationalists affiliated with the Bharatiya Janata Party were arrested Saturday afternoon after they briefly blocked traffic at three major intersections in an unsuccessful attempt to cut off routes to the stadium. Some protesters threw rocks at passenger buses. Police broke up the demonstrations by firing tear gas and striking protesters with nightsticks.

Holding the Miss World pageant in this southern city prompted an intense national debate about the role of women in the poorest country to host the annual contest. Feminists, echoing arguments made in Western countries, argued that such pageants demean women by turning them into commodities.

Hindu nationalists said Indian traditions give women a central role in families and do not countenance them parading before strangers in revealing garments.

Sudhir Kakar, a psychologist who has studied the Indian family, said underlying the controversy were social anxieties about more urban middle-class women seeking more personal freedom and relief from subordinate roles.

BRIEFLY ASIA

Taleban Claims Taking Village

KABUL — The Taleban religious army said Sunday it wrested a strategic village north of Kabul from anti-Taleban troops in a massive counterattack involving heavy artillery and jet fighters.

The Taleban said its troops captured Guldarah, about 16 kilometers (10 miles) north of the capital. The conquest of Guldarah was as much a psychological victory as a strategic one, driving anti-Taleban troops farther away from the capital.

Taleban soldiers said there had been a heavy exchange of fire at the front line. Civilians fleeing the fighting said Sunday that troops loyal to the northern warlord, Abdul Rashid Dustam, who is part of the anti-Taleban alliance, also had made some gains, taking control of high ground northwest of the capital.

There was no immediate word from the alliance about the fall of Guldarah. *(AP)*

No Protests at East Timor Rite

DILI, East Timor — Archbishop Carlos Ximenes Filipe Belo, winner of the Nobel Peace Prize, blessed a giant statue of Jesus Christ in the territory of East Timor on Sunday in a ceremony that proceeded without feared political protests.

Residents had said restive youths in the former Portuguese colony might protest Indonesia's 1975 annexation of the territory but more than 15,000 people at the ceremony watched peacefully, occasionally bursting into applause.

The only policemen seen were a handful who accompanied Archbishop Belo to the bottom of the headland near Dili on top of which the 27-meter (90-foot) bronze statue is situated. *(Reuters)*

Court Rejects Bhutto Petition

ISLAMABAD, Pakistan — Pakistan's top court Sunday again rejected a petition from ousted Prime Minister Benazir Bhutto.

The Supreme Court, for the second time in five days, returned Miss Bhutto's petition against her Nov. 5 dismissal by President Farooq Leghari on charges of corruption and misrule.

It accused her lawyer of raising "frivolous and misconceived" objections to the earlier refusal. *(Reuters)*

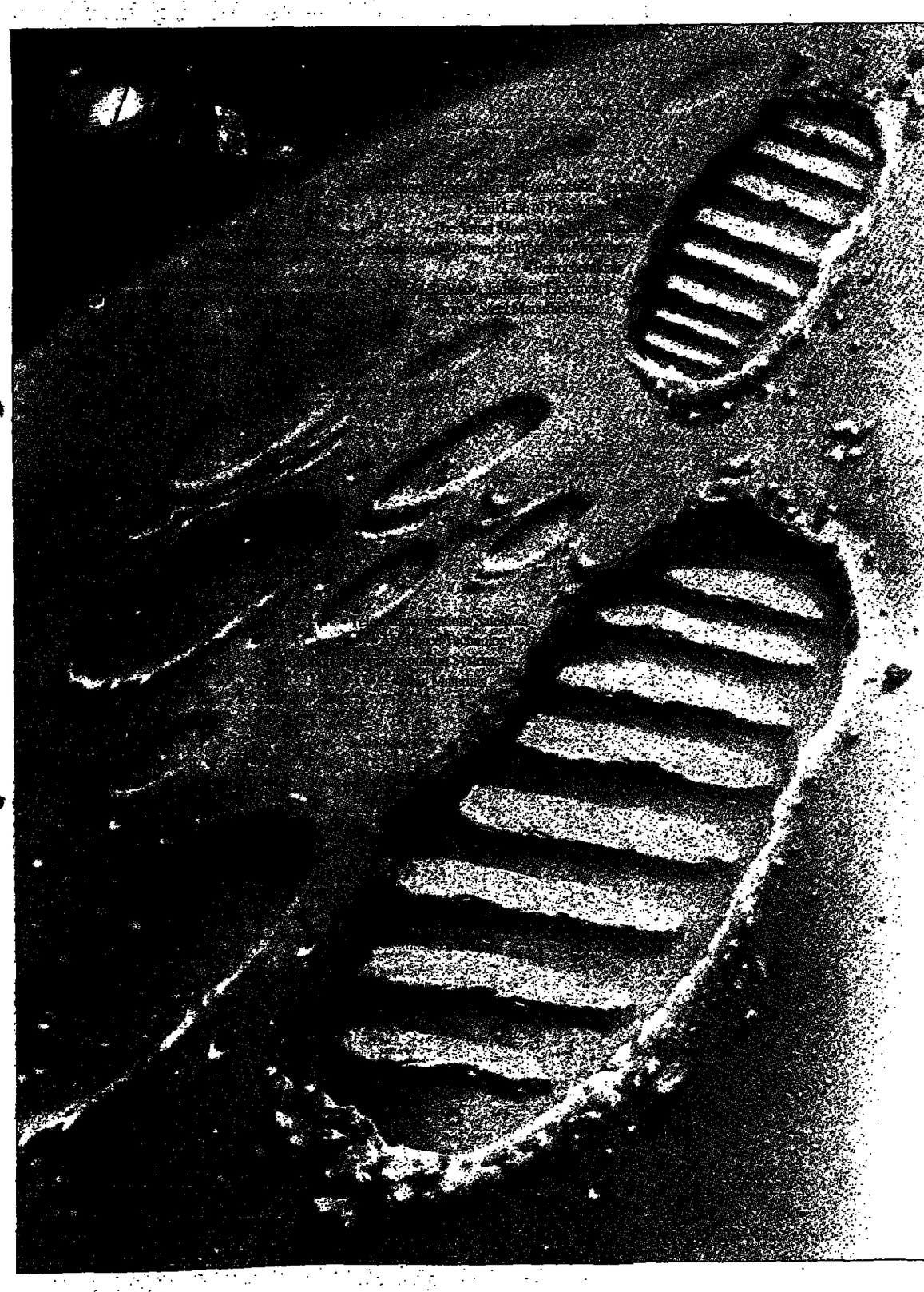
Cambodian Warns of Secession

PHNOM PENH — A provincial official warned Saturday that his region might break away from Cambodia, after a deepening rift in the governing coalition spilled into a military clash.

Serei Kosal, deputy governor of Battambang Province, threatened to deploy troops Sunday to block a national highway. He said his forces would blow up bridges on the road if troops were sent against him.

Mr. Kosal's threat heightened tensions in the standoff between the two parties that together govern Cambodia — the formerly Communist Cambodian People's Party and Mr. Kosal's Funcinpec, which is loyal to Prince Norodom Ranariddh. Soldiers of the two governing parties exchanged gunfire Friday in the city of Battambang, 10 kilometers northwest of Phnom Penh.

Mr. Kosal, a high-ranking party member, said he was forced to threaten secession after People's Party officials said they wanted to disarm his party's troops. *(AP)*



"Value Management" for Mankind, Society and Future

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Chung, Mong-koo
Chairman

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Stability in East Asia

During the Cold War, Washington saw its role in Asia as clearly defined — containing the spread of Soviet-backed communism. The region today defies easy classification. While East Asia is the world's fastest growing region economically, it is also an arena where four of the world's most powerful countries — Japan, China, Russia and the United States — are awkwardly working out new relationships with each other.

The Clinton administration has yet to devise a policy that adequately balances American economic and security interests in this vital region. President Bill Clinton's current trip underscores the need for such a policy.

The trip's ostensible centerpiece, an Asia-Pacific economic conference in Manila, is largely an empty event. Two years ago, Pacific leaders agreed to create a regional free trade zone by 2020, but there is no real consensus for taking concrete steps toward this laudable goal. The more vital business was likely to come in side discussions among some of the 16 leaders assembled in Manila. Mr. Clinton, for example, was discussing economic and security issues individually with Prime Minister Ryutaro Hashimoto of Japan and Presidents Fidel Ramos of the Philippines, Kim Young Sam of South Korea and Jiang Zemin of China.

China's economic clout and rising military power are reshaping relations among Asian nations. Japan, an economic but not a military power, is anxiously studying Chinese intentions. But Tokyo understands that any attempt to rebuild Japanese military power would stir angry memories throughout Asia of past Japanese aggression.

South Korea, guarding the last military frontier of the Cold War, worries about a second Korean War and a militarily resurgent Japan. Suspecting that Washington is too complacent about both dangers, it is edging closer to Beijing as a strategic insurance policy.

Meanwhile, Russia, although militarily weak, cannot be discounted. Traditionally a rival of both Japan and China, it now seems interested in warmer relations with both.

The United States can serve its own interests and the region's by helping to maintain a security balance. As long as China, Russia and Japan do not feel threatened, they can be encouraged to assert themselves economically rather than militarily, sustaining the surge toward prosperity that has characterized the region in the last decade.

The United States must recognize that Russia has a legitimate role to play in the region. It can work with both Moscow and Tokyo to encourage the return to Japan of islands that Moscow seized at the end of World War II.

American relations with Japan, after several years of trade confrontations, have settled down as Japan struggles to climb out of a recession. This has given Washington a chance to re-emphasize security cooperation. Tokyo can continue to rely on Washington for protection from external threats while expanding its own participation in United Nations and other international peacekeeping operations.

China presents the hardest challenge. Washington and Beijing are talking again after last spring's chill over Taiwan, but the Clinton administration has not found effective ways to moderate Chinese behavior or hold Beijing to the agreements it has worked out with the United States and other countries. Mr. Clinton's ability to establish a more productive dialogue with China will be an essential measure of his success in Asia during his next term.

During the last four years the administration has positioned America to compete effectively in Asia's booming markets. But the growth of those markets now depends on assuring stability in the region. That will require more than a strategy to sell American cars in Japan and to protect American intellectual property in China.

— THE NEW YORK TIMES.

Sensible Food Policy

The first World Food Summit, in 1974, set a goal of eradicating global hunger in 10 years. These conferences don't commit anyone, but they help shape the context in which real decisions are made. In this instance, the world did not come close to eradicating hunger. That did not stop the second World Food Summit, just completed in Rome, from aspiring to halve the estimated number of people (800-plus million) still hungry in 20 years.

Who does not hope it will happen? But how can it be done?

At Rome there were passionate appeals, coming mostly from poor countries and from nongovernmental quarters including the Pope, for the rich countries to end hunger by aid — food aid and foreign aid in general. The American delegation rightly resisted being pinned down.

It is not simply that the United States already is, and should continue to be, the chief food aid provider, with its own problems of economic health. Food aid has kept too many countries from growing more of their own food. For a donor to meet true emergencies is right and necessary. But for a recipient to use humanitarian aid to avoid upsetting cozy domestic arrangements is a practice that should no longer be indulged.

The pre-negotiated document that Rome approved reaffirms the "right of everyone to have access to safe and nutritious food." The language of rights or entitlements remains at the core of Third World vocabulary.

Again, the United States added a national asterisk. It cast these broad economic and social goals in the category of nonbinding political aspirations that do not "give rise to any international obligations of the United States, nor diminish the responsibilities of other, national governments toward their citizens." The doctrine of rights rests on an expectation that someone is there to enforce them. "These things — the right to food, food security — must rest on consent."

And on good policy. For the United States this means, besides robust research and production, trade.

Agriculture Secretary Dan Glickman, leader of the American delegation in Rome, plugged for further liberalization. It doesn't mean just that struggling developing countries must stop protecting their home markets. It means that the rich countries, in Europe first, must cut back export subsidies and import restrictions. The United States, a major exporter, is itself now moving more vigorously in a free market direction and is in a good position to lead a market-oriented world agricultural trade system.

Even as the food summit was meeting, something was happening outside Rome that could make a huge difference in the summit's concerns. The United Nations announced its latest global population estimates. It turns out that the fertility rate in the poor countries is falling considerably faster than earlier UN projections had foreseen. This means — if it continues — hundreds of millions of fewer mouths to feed, many in the vulnerable category of people who are too poor to buy the available food.

This potentially world-shaking news should not lead anyone to think that global food problems are dissolving — environmental degradation and population growth, for instance, remain priority concerns. But it should help ease some of the apocalyptic anxiety that has marked the food-population debate for decades.

— THE WASHINGTON POST.

Other Comment

Political Change in Africa

Democracy, at least of the conventional kind, is not working in Africa. The problem is that the tyrants have learned how to control the voting.

The Zairean state has dissolved and vast regions have little or no connection with the capital. People in places like East Kasai and Shaba have been obliged to fend for themselves. In some areas, the locals run their own education and health services. Models of democratically elected governments they are not, but their leaders are indigenous and identify with the local cause against a remote center.

Were such new entities to be accepted and formalized, Zaire might become a federation of naturally developed autonomous regions. Other parts of Africa are following suit.

Aid donors should push privatization, judicial reform and the development of alternative centers of political power. And aid should go straight to the people, avoiding the corrupt politicians who are serving their countries so poorly.

— The Economist (London).

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Allowing the Killing of Children Is a Disgrace

By Desmond Tutu

CAPE TOWN — It is the mission of priests of all religions to help their followers seek good and shun evil. Ever since I was a parish priest, I have tried to do this and in the process have learned quite a lot about both good and evil. But never as a young man could I have imagined that one day I would find myself pleading with world leaders to stop the killing of children.

Killing children? Why would any sane person kill children? And yet it is happening as never before.

Some 2 million children have died in dozens of wars during the past decade, according to a new study that has just been presented to the United Nations.

By comparison, American friends tell me, this is more than three times the number of battlefield deaths of American soldiers in all their wars since 1776. Few civilians, let alone children, died in those wars. Today civilians account for more than 90 percent of war casualties.

The reasons for this terrible toll are, first, a fundamental change in the kind of wars being fought, and, second, a chilling international indifference to the obscenity of killing innocent noncombatants, mostly the powerless who have no champions in the centers of world power.

For most of modern history, armies fought armies along battle lines that divided nations. Today wars are fought for territory and dominance within countries, neighbor against neighbor, the bitterest kind of aggression.

Outsiders find these complex conflicts unfathomable. It is easy for many, far from Zaire or Cambodia or Bosnia, to dismiss the deaths and trauma of civilians and children as an inevitable side effect of war. That argument is not only false, it is profoundly immoral.

The UN "Report on the Impact of Armed Conflict on Children" is the result of a two-year investigation carried out by the former Mozambican minister for education, Graca Machel. It not only details the devastating effects of war on children, it also recommends practical steps for us to face our moral responsibility and end these far from inevitable atrocities.

The report's proposals will be considered by the General Assembly next month. They are simple and direct, such as banning military recruitment of anyone under 18 and the immediate demobilization of child soldiers, prohibiting shipment of weapons to conflict zones and prosecuting rape and sexual torture as war crimes.

If implemented, these steps would go a long way toward strengthening the force of existing treaties, the Convention on the Rights of the Child, the Geneva conventions and the Convention to End Discrimination Against Women — all of them inadequately enforced.

I particularly like the recommendation to require companies and countries that profit from the manufacture and export of land mines to contribute to mine awareness programs for children and efforts to clear the world's 110 million mines.

I am incensed when I hear these commonsense proposals called "hopelessly idealistic" or "impractical." That is defeatist nonsense.

What we need today is an upsurge of international courage, moral indignation and human solidarity to demand action to end the crimes being committed against the innocent in war.

Just such public pressure succeeded in banning the use of poison gas and is behind the progress toward nuclear disarmament. The proposals in the Machel report are just as achievable.

In democracies, we, the people, have the power to shape national and international policy — to seek the good and shun evil, if you will. I would like to call on my fellow priests in all religions to take this clear-cut issue of right and wrong to their hearts and to galvanize their followers.

If an aroused public insists, governments will respond. The job now is to spread the word and inspire public confidence that the good we want can prevail. If we will it, we can end the crimes of targeting children for death and involving them in war's bloodshed. To have this power and fail to use it makes us accomplices of the killers.

The writer, who retired in June as Anglican archbishop of Cape Town, is a member of the Eminent Persons Group advising Graca Machel, author of the "Report on the Impact of Armed Conflict on Children." He contributed this comment to The Washington Post.

Europe Has 18 More Months to Get Its Bosnia Act Together

By Thomas L. Friedman

BRUSSELS — The decision by President Bill Clinton to keep U.S. troops in Bosnia for another 18 months should be called "Operation I Really Mean It This Time."

For the first year that U.S. troops were in Bosnia, the NATO allies kept saying that the military operation was a great success but that the civilian operation — those efforts to get the parties to actually live together so that the peace could be sustained without foreign troops — lagged behind.

But the next 18 months will be different, they say. This time we really mean it. This time Serbs, Croats and Muslims have to learn to live together, because we're leaving.

Fat chance. The NATO military operation in Bosnia succeeded for the same reason the civilian operation in Bosnia failed. NATO's military operation was to keep the parties apart, and it succeeded because the Serbs, Croats and Muslims are now all dominated by nationalist-separatists who want to live apart. The civilian operation to unify Bosnia faltered because it was always swimming against the political tide there.

Will it be fundamentally different in 18 months? I doubt it. I still believe that civil wars end in one of three ways:

- With a hard partition, as in Cyprus.
- With a soft partition under a hard fist, as in Lebanon — where there is mixing between communities that still largely live apart, and a Syrian hard fist keeps everyone in line.
- Or they end like the American Civil War, with Appomattox, and one side vanquishing the other. No civil war has ended with elections and "I'm O.K., you're O.K." within 30 months of the fighting. Switzerland is not an option here.

So Mr. Clinton is doing the right thing in Bosnia by maintaining U.S. troops there longer, but he still doesn't have a realistic exit strategy — a strategy for stabilizing Bosnia, without any foreign peacekeepers.

After three days of discussions at NATO headquarters in Brussels, it is clear to me that most U.S. and European officials know that Bosnia is not going to become Switzerland on their watch, so their best hope is that it become Lebanon — a soft partition under a hard fist.

That means that the United States will have to pursue a two-track strategy for Bosnia.

Track one is to keep trying to promote economic development and political integration. The more incentives the factions have not to return to war, the fewer outside peacekeepers will be required after 18 months.

On track two, though, the United States must begin thinking about who is going to provide the hard fist that will still be needed to keep the peace in Bosnia 18 months from now. It should not be the United States.

It is important that U.S. troops be seen to leave Bosnia after these next 18 months, as the president has promised. If the American public is to sanction future operations of this kind, it has to see that the troops really will come and go. Said one U.S. official here: "If the Europeans want us back, then they have to let us out."

When the Americans do leave, an all-European peacekeeping force, led by Britain and France and organized within either NATO or the Western European Union, should take over on the ground. That is President Clinton's only realistic exit strategy for Bosnia — a handoff to Europe.

In other words, NATO's mission over these next 18 months is to buy more time for the Bosnian factions to learn to coexist and more time for the Europeans to get their act together so that they can keep any peace that needs keeping in Bosnia.

For years the Europeans, and particularly France, have been expressing a desire to undertake some military operations in Europe — without America. Forests of trees — whole forests — have been turned into paper for endless studies about how an independent European defense identity would work.

The sticking point was: When would the Europeans find an operation small enough to undertake on their own but important enough for them to want to lead? Well, Bosnia is it.

It's time for the Europeans to turn theory into practice. Enough Eurobabble. America is ready to help them with planning, logistics, satellite intelligence and transport. But in 18 months they should take primary responsibility for peacekeeping in Bosnia. If they can't do that, in their own backyard, then they truly are hopeless.

After IFOR (Implementation Force) and SFOR (Stabilization Force), get ready for EFOR — European Force, Bosnia. And this time we really mean it.

The New York Times.

The UN, Iraq and China Are Second-Term Tests for Clinton

By Jim Hoagland

WASHINGTON — Reconfirmed in their own brilliance and the manifest stupidity of their critics, re-elected presidents have a history of trying to ride roughshod over reality. A second term becomes a poisoned chalice for a president who lets victory chase perspective and intimations of fallibility from the White House.

Johnson and Vietnam, Nixon and Watergate and Reagan and Iran-contra illuminate the dangers. Early in the planning of his second term, Bill Clinton displays disturbing signs of following the pied piper of presidential pride down a road that has led predecessors to failure and/or lasting shame.

The temptation to don self-protective blinders surfaces primarily in Mr. Clinton's self-pitying reaction to the muck raked out of Whitewater, the Paula Jones case and now suspect political fund-raising in Asia. His comparison of himself to Atlanta security guard Richard Jewell last week struck even admirers of the president as bizarre and ostrich-like.

In foreign policy, too, Mr. Clinton ignores warning signs rather than reassess dead-end policies. Worse, he seems not to see the connections between his actions on the United Nations, Iraq and China — connections that could foreclose options for him in a second term and weaken his authority abroad.

The most obvious dead end is at the United Nations, where the president has encouraged his ambassador to pursue a vendetta against the sitting secretary-general. It is a vendetta that gains the United States nothing while threatening to wreck the world organization.

The problem is not that America is isolated in casting its veto against Boutros Boutros Ghali. Isolation in the effective pursuit of U.S. values and interests abroad can be a badge of honor. But the United States entered this fight without a fallback plan to apply if Mr. Boutros Ghali resisted ouster, as he predictably did.

That was made painfully clear last week in the acknowledgment by Ambassador Madeleine Albright that Washington does not really care who is chosen for a new five-year term as long as it is not the troublesome Egyptian.

That is, she said Washington (which cannot put forward its own candidate for fear of automatic rejection) would support Africa's candidate for a full new five-year term once Mr. Boutros Ghali withdraws. This is to compensate his home continent for being deprived of its "full turn" by Washington's veto. (Second terms were routinely granted to his predecessors, including the illustrious Kurt Waldheim.)

The next secretary-general would be beholden not to Washington but to the African caucus at the United Nations, where zeal for reform and American values has never been excessive. The only leverage for reform that Mr. Clinton will have left will be to threaten to drive the organization over the brink by withholding even more financial support.

In an interview this month, Mr. Boutros Ghali told me he would negotiate a two-year program of reform with Washington, implement it and then leave. Mr. Clinton and Mrs. Albright have maneuvered themselves into having no better option.

The president should take that deal and use the two years to negotiate the choice of a new secretary-general and the shape of a new United Nations for the 21st century. If Africa has the best candidate and plan, Washington should support him or her and it for a new full term. But that support should be based on clear commitments to reform and chances for success, not continent of origin.

It is important that Mr. Clinton not further weaken the authority of the United Nations now, as Iraq intensifies its efforts to break out of the regime of economic sanctions and UN monitoring imposed on it after the Gulf War.

Iraq is case two of pride risking a fall for Mr. Clinton. Policy has drifted badly since Saddam Hussein embarrassed him by rolling up America's covert operations in northern Iraq in September. But the president refuses to admit that, and his administration pretends not to see the damaging consequences of the collapse of its policy. Saddam's Arab neighbors, including Saudi Arabia, are now extending olive branches to him.

Mr. Clinton's meeting in Manila with Chinese President Jiang Zemin this Sunday presented the third immediate foreign policy test with long-term consequences. His wavering policies on human rights in China and on Taiwan have encouraged Beijing to treat Washington as a supplicant for its favor and cooperation.

He needs to take off the reelection blinders and be on guard against surrendering more of the moral authority his office conveys. Healthy self-skepticism is essential to defending American values and interests abroad without having to resort to military means.

An American president does not lose moral authority by making errors. He loses it by persisting in them.

The Washington Post.

When the Left Looks to America

By E. J. Dionne Jr.

BOLOGNA — Italians are deep into a debate about their political system and its possibilities. "The American model," as it is called here, is a touchstone for all sides.

Italians were not satisfied with their old system. They sought to establish a two-party setup, with a moderate left alliance and a coalition of the moderate right. But Italy held onto parts of its proportional representation system, which guarantees seats in Parliament to smaller parties.

Many Italians are still dissatisfied. To maintain its majority, a center-left government counts on the support of a splinter of the reformed former Communist Party. The splinter group holds up the flag of old-fashioned communism. The center-right coalition includes a party built out of the old fascist party.

These days, almost everybody is moderate. But many thoughtful Italians still don't think they have put together the system of their dreams. That is where the "American model," variously defined, comes in. Many Italians like the idea of a strong presidency, and want a directly elected president. Others, mostly on the right, like the flexibility of America's relatively unregulated economic system and labor market.

Still others, mostly on the left, look to the Democrats as a model for a nonideological reformist party. Hard to believe? Well, the Democrats' record looks pretty good to an Italian left that was out of power for 40 years.

This is a sophisticated and realistic debate, and the United States is not cast as utopia. America's problems are well known.

At a recent conference at the University of Bologna, Sergio Fabbrini of the University of Trento argued that the American system was in some trouble because of the breakdown of political parties.

He put his argument in an interesting way. James Madison's system of separated powers and checks and balances, he said, needed the lubricant of political parties, partly an invention of Thomas Jefferson, to get things done. "Madison made it to the 20th century because of Jefferson," he said. The American system, he thinks, could use another dose of Jeffersonian partisanship.

Given the attraction of relatively unfettered U.S. capitalism to free market conservatives here — and America's recent economic performance — it is not surprising that free marketeers tout the "American model" as the way to prosperity. That is happening all over Western Europe.

More surprising is the importance of Bill Clinton and the Democrats to the left, especially to the ex-Communist Party, now known as the Democratic Party of the Left.

"At the beginning of the Clinton administration," said Marizio Vandagna of the University of Bari, "there was an interest in Clinton's ability to organize progress around new concepts — renovating the old social democratic model through flexibility, more attention to private-public connections, decentralization."

There is more skepticism about Mr. Clinton now (he looks like "a big boy with a silly smile," said Mr. Vaudagna), but respect for "the man able to get re-elected."

The Italian left, said Arnaldo Testi of the University of Pisa, is deep into an argument over whether its future lies with social democracy, German-style, or the ideologically looser and more flexible American Democrats. The unexpected partisan of America's Democrats is the head of the former Communists, Massimo D'Alema.

The idea, said Mr. Fabbrini: "The system in Germany doesn't work. It's too centralized. We need to look to a more competitive model like the United States." In other words, ex-Communists are becoming New Democrats.

It may seem strange to see Bill Clinton as part of some world historical project involving the revival of the left. But in Western Europe, left-liberals, social democrats and former Communists are looking for success stories.

Washington Post Writers Group.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Spiritual Play

PARIS — The new play by M. Sardou, which was read yesterday [Nov. 24] before Mme. Sarah Bernhardt and the artistes of the Renaissance is entitled "Spiritisme!" The play has Spiritualism for its basis, in fact there is one scene in which the spirits answer questions by rapping upon a table. For forty years M. Sardou has taken a great interest in occultism and kindred spirits. "Spiritisme!" will probably be produced two months hence.

1921: Hungary Split

VIENNA — Hungary's internal political situation has profited little by the exclusion of the Habsburgs from the throne, as the Legitimists are preparing a sharp opposition which will make the life of their adversaries extremely difficult. Yesterday's [Nov. 24] sitting of the National Assembly gave a foretaste of what may be expected. The anti-Habsburg Deputy Rassay said that the arrested helpers of ex-King Karl were not criminals, but only fanatics and for the rest decent patriotic people. This statement was answered from the benches of the Agrarian party, with the exclamation "They are traitors."

1946: Strike Continues

BECKLEY — Down here in the jutting coal-rich mountains of West Virginia, the miners are loafing around to see if John L. Lewis, president of the United Mine Workers of America, will go to jail. It appears clear that whatever happens in the coal strike, the miners are solidly behind John L., and least of all concerned about economic paralysis or the frigid temperature of a city apartment. 100,000 miners are striking in a pattern that has become routine.

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Children in Especially Difficult Circumstances (Armed Conflict)

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Applications by female candidates are especially welcome. Please send detailed resume, in English, quoting reference number VN-96-159, L-4 IHT, New York to: Recruitment and Placement Section (SEK), UNICEF, 3 UN Plaza (H-5F), New York, NY 10017, USA. Applications for this position must be received by 9 December 1996. Acknowledgement will be sent only to shortlisted candidates.

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Children in Especially Difficult Circumstances (Child Labour)

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Qualifications:

- Advanced university degree in social sciences, social work or social development.
- Eight years of professional work experience in social services or in programmes related to child labour, with at least three years of work experience at the international level.
- Proven ability to conceptualize, develop, plan and manage programmes as well as to transfer knowledge and skills.
- Supervisory and managerial skills.
- Good analytical, negotiating, communication and advocacy skills.
- Ability to work in an international or multicultural environment.
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- Fluency in English and either French or Spanish.

Applications by female candidates are especially welcome. Please send detailed resume, in English, quoting reference number VN-96-141, L-4 IHT, New York to: Recruitment and Placement Section (SEK), UNICEF, 3 UN Plaza (H-5F), New York, NY 10017, USA. Applications for this position must be received by 9 December 1996. Acknowledgement will be sent only to shortlisted candidates.

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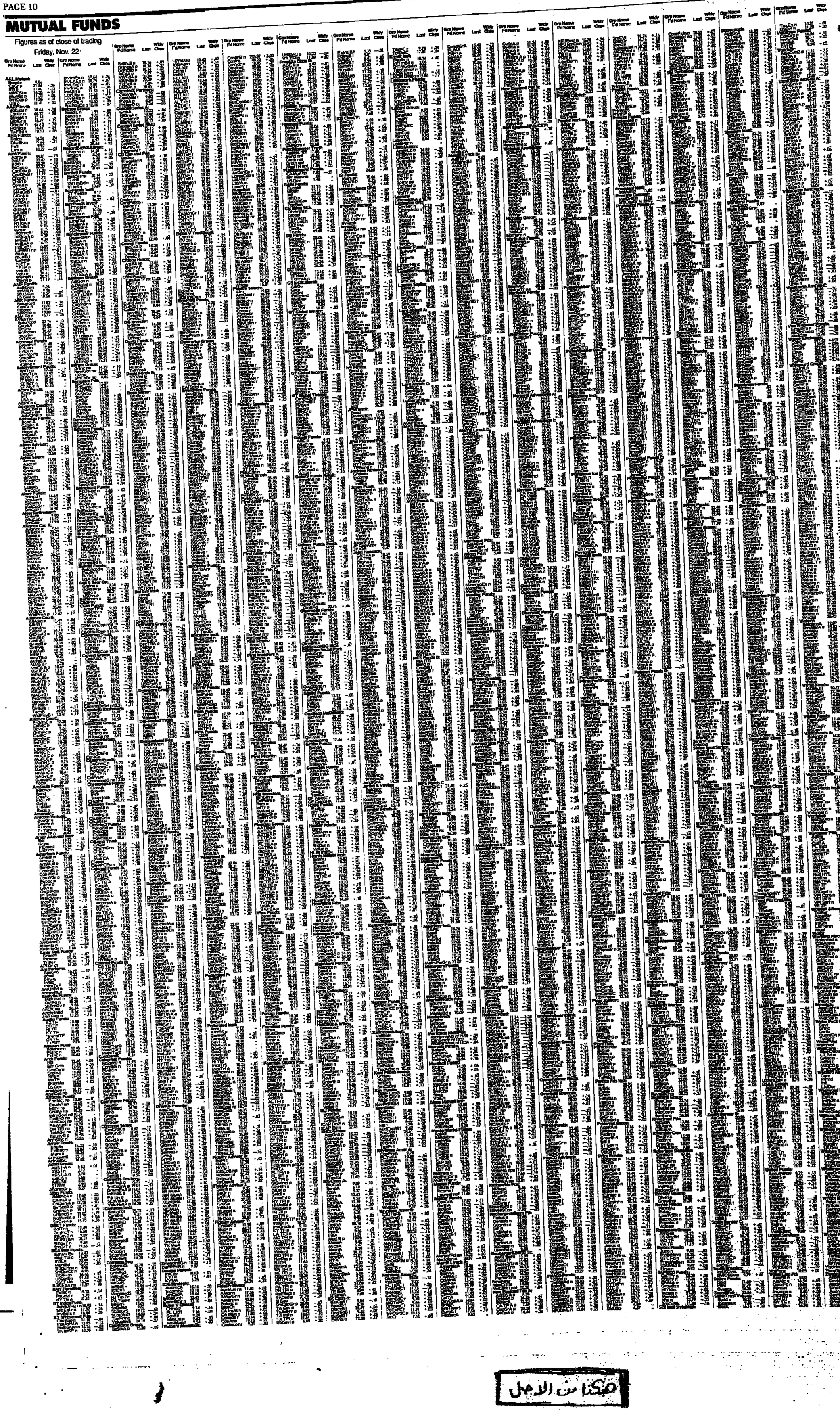
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Figures as of close of trading Friday, Nov. 22



Herald Tribune INTERNATIONAL

BUSINESS/FINANCE

MONDAY, NOVEMBER 25, 1996

Australia to Sell Railroad System

Restructure Aims to Cut Loss

Compiled by Our Staff From Dispatches

SYDNEY — In a rescue operation expected to cost taxpayers 2 billion Australian dollars ($1.62 billion), Australia's troubled national rail system will be sold by June and restructured as a part-public, part-private network, the government announced Sunday.

Transport Minister John Sharp said the federal government would also seek agreement from the New South Wales and Victoria state governments to sell National Rail Corp., the country's freight carrier, which they jointly own.

Mr. Sharp said a single authority would be set up to manage the Australian National Railways Commission interstate track network, which loses about 250 million dollars a year, while private companies would operate rail services.

He said on a television program that the government planned to retain ownership of the track linking Australia's state capitals through a new track company and then sell the train services.

The track company would become "a one-stop shop" for investors seeking to set up a train operation, he said.

He said Australian National would post a loss of about 250 million dollars in the financial year to June 30. The government has said that Australian National, which has about 7,000 kilometers (4,350 miles) of track, lost between 135 million dollars and 148 million dollars in the year to June.

The Australian government faces costs of about 2 billion dollars to get Australian National ready for sale, including 1 billion dollars of debt that the government will assume, 580 million dollars of unfunded pension-fund payments and 400 million dollars to be spent on restructuring, Mr. Sharp said. The government will also spend 161 million dollars on the track network.

Mr. Sharp described the plan as "the most significant reform of Australia's transport system that any government could hope to embark on." He added: "It will deliver substantial cost savings to transport." Transport costs represent about 20 percent of retail prices in Australia.

The sale will be completed by June 30, Mr. Sharp said. Several companies have already expressed interest in buying all or part of the national railroad, he said.

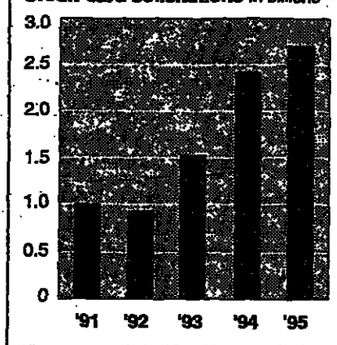
The South Australia and Victoria state governments and National Rail welcomed the decision, but a spokesman for the opposition Labour Party, Lindsay Tanner, said the plan would devastate regional economies in South Australia and Tasmania, where jobs would be lost and private operators would grab the businesses at fire-sale prices.

(AFP, Bloomberg, Reuters)

Getting Carded

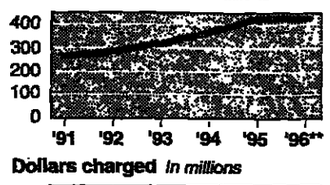
The number of U.S. credit-card solicitations flooding mailboxes has increased dramatically...

Credit-card solicitations *In billions*

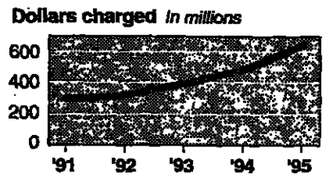


... and the barrage of mail translates into more bank cards being used to charge more goods and services.

Bank cards issued* *In millions*

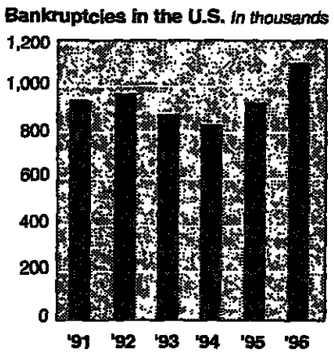


Dollars charged *In millions*



All of this is occurring at a time when bankruptcies again are increasing.

Bankruptcies in the U.S. *In thousands*



* Bank cards includes Visa, MasterCard, Discover and American Express. ** Projection

Sources; Behavioral Analysis Inc., RAM Research, America Bankruptcy Institute

WP

Plastic Credit: Opium of the People

By Michelle Singletary and Albert B. Crenshaw
Washington Post Service

WASHINGTON — The dozens of credit-card solicitations kept arriving in the mail, sometimes three and four a week, with pre-approved credit limits for thousands of dollars, making the Prince George's County corrections officer feel financially invincible.

The argument he used to convince himself to take them was simple: The credit-card companies would be approving this credit only if they thought he could afford the payments on his $42,000 annual salary, right? With that logic, he did not see the harm in accepting them and eventually stuffed his wallet with nearly a dozen credit cards.

He ended up with a mountain of debt that he could not manage once his overtime was cut and his income dipped. Early last month the 55-year-old corrections officer filed for bankruptcy protection. Excluding his home mortgage, his debts totaled $38,000, of which about $35,000 was on credit cards, according to federal bankruptcy court records.

Credit, once a commodity hoarded by bankers and handed out only after an exhaustive analysis of a borrower's ability to repay, today is being thrown at consumers like rice at a wedding. That is because credit-card lending has become one of the most highly profitable businesses in the financial industry.

But the easy availability of credit is sinking thousands of consumers like the corrections officer. While most economists and banking experts see little threat to the U.S. economy or banking system, some are growing increasingly alarmed about what it might mean for consumers, especially if an economic recession occurred.

"It's to the point where many people have more debt than income," said George M. Salem, a securities analyst for Gerard Klauer Mattison & Co., a New York brokerage firm. "Credit has become like a narcotic."

It is also expensive. For a customer who paid about the monthly minimum on a $2,000 balance — a typical balance that many carry on a major credit card — interest would amount to $1,012 over five years and $3,652 if carried for 10 years, said Robert B. McKinley, president of RAM Research Group.

The Federal Reserve System reports that consumer debt, which has reached $1.4 trillion, is growing at an annual rate greater than twice that of wages. For every $1 that household income has gone up, Americans are spending $1.10.

Total debt of U.S. households equaled nearly 95 percent of their annual income as of the end of last year, up from less than 60 percent in 1960 and less than 75 percent in 1980, according to government figures. Most of that is home-mortgage debt, but consumer debt, including car loans and credit-card debt, equaled more than 20 percent of annual income.

Statistics Muddle Value of Euro

European Trade Surpluses Don't Add Up, Study Finds

By Carl Gewirtz
International Herald Tribune

PARIS — The intense jostling between France and Germany over whether Europe's planned common currency will be as solid as the Deutsche mark or as volatile as the lira appears to omit the question of what the euro should be worth. That is likely to remain a mystery, according to a new study, because a key objective measure is too inaccurate to give a valid reading.

With the United States still running a massive trade deficit and Europe reporting a surplus almost as big in economic terms as Japan's, a key question is whether the dollar is undervalued.

It is here that the mystery of the euro's value arises, the study by Daiwa Institute of Research says.

European trade data are so "seriously flawed as to preclude knowing" the true picture, it says. But the figures are essential to measuring the future value of the euro.

"Trade does matter," said Bernard Godement, the author of the report. "The example of the Japan-U.S. bilateral trade balance and developments in the yen exchange rate offer sufficient proof of this."

The discrepancies in European trade data, he said, mean that the politicians who set exchange-rate policy for the monetary union, the future European central bank that implements the policy and market participants are "simply going to operate in the dark" in trying to assess the competitiveness of the euro at any given exchange rate.

"Discrepancies in the data are so massive as to forbid any serious knowledge of the trade position" of the proposed union, he said, even assuming that it begins Jan. 1, 1999 with only six core countries — Austria, Belgium, France, Germany, Luxembourg and the Netherlands.

The problem is that the data — adjusted for exports that do not include transport and insurance costs priced in imports — do not add up. Exports reported by one country simply do not add up with the trade reports of its partner countries. Usually the surplus figures are significantly more positive.

"Germany is the biggest problem," Mr. Godement said. He estimated that its trade surplus, as measured by trading partners, is only half of what German figures suggest.

France's figures exceed that of its trade partners by some $15 billion, he added.

Using data for 1994, the 15 European Union countries reported a collective surplus with each other of $102 billion.

"This is obviously false," Mr. Godement said, "as the surplus of the EU with itself is of course zero in reality."

The combined global EU trade surplus was reported at $94.5 billion. For the six-country core group, the surplus with itself was $53.8 billion and with the world $73.3 billion.

After monetary union, exchanges between core countries will cease to count as foreign trade.

"The conclusion is that the actual trade balance of the core group with the rest of the world may have been somewhere between $20 billion and $70 billion," he said. "This represents 0.5 to 1.7 percent of the group's combined gross domestic product."

To put that in perspective, Japan's trade surplus in 1994 was 3 percent of GDP and created great international friction.

Inaccurate data are not just a European phenomenon. Published data indicate that the world has a surplus with itself — a problem that has bedeviled statisticians for years.

But for Mr. Godement, the size of the European surplus with itself — some two-thirds of its global surplus — is a question of scale.

"How can the future European central bank judge whether the euro is sustainably stable externally if there are no credible numbers about trade?" he asked.

Working With Burma? States and Cities Will Exact a Cost

The Associated Press

NEW YORK — In a reprise of the movement that isolated white-ruled South Africa, a growing number of state and local governments now penalize companies that do business in Burma — pressure that appears to be working.

Motorola Inc. and Philips Electronics NV quietly have joined a corporate pullout from Burma, though they cite business reasons for their moves.

Massachusetts steps up the public pressure this week by releasing a list of companies that will be at a disadvantage when bidding for state contracts because of ties to Burma, where the military junta has crushed dissent.

Activists say the recent corporate defections are signs of headway in the budding economic protest against Burma's government.

The Massachusetts law, adopted in June, is the first such state sanction targeting Burma, but eight cities have approved similar measures.

In the first high-profile case stemming from "selective contracting" laws, activists are trying to knock Mitsubishi Heavy Industries Ltd. out of contention for $136 million people-mover project at San Francisco's city-owned airport. Mitsubishi has interests in a Burma pipeline.

But the movement is far from declaring victory.

For one thing, many of the businesses that are leaving Burma have little more than a beachhead there.

For another, Burma's economy is relatively small. Its attraction is mostly to oil companies. Burma's imports from the entire world totaled $1.6 billion in 1995.

Also, some companies — most notably, PepsiCo Inc. — have been criticized for jettisoning their Burmese holdings but continuing sales in Burma through outside distributors. Philips said it stopped direct sales in Burma, but would continue to deal with importers serving the country. It cited the "difficult situation and general uncertainties" in Burma as a reason for its move. Motorola, which has a single manger in Rangoon, says its pullout is a "cost cutting decision" related to cutbacks forecast this month.

Brenda Bateman, who directs the Burma Project for the Investor Responsibility Research Center in Washington, said, "We know from our work on South Africa that this may be something that's in process for 20 years or so."

The group, formed 20 years ago to track corporate affiliations in South Africa, lists 234 companies with ties to Burma, 58 of them based in the United States.

Its listing is a major source for Massachusetts and the cities with laws about dealings with Burma: Ann Arbor, Michigan; Carrboro, North Carolina; Madison, Wisconsin; Tacoma Park, Maryland, and Berkeley, Oakland, San Francisco and Santa Monica, California.

Massachusetts will assess a 10 percent penalty on new bids from businesses with links to Burma.

Companies that already had left Burma include Carlsberg A/S, Heineken NV, London Fog Corp., the Eddie Bauer unit of Spiegel Inc., Levi Strauss & Co., Petro-Canada, Amoco Corp., Liz Claiborne Inc. and Columbia Sportswear Co. Those resisting pressure include Unocal Corp. and Total SA of France, both oil businesses.

CYBERSCAPE

Lexis-Nexis Takes a Gamble on the Net

By Erik Ipsen
International Herald Tribune

LONDON — One of the world's largest on-line information services will finally makes its appearance on the Internet next year — and not a moment too soon.

"We are driven by opportunity not by the threat of competition, but that threat is near enough," said Nick Farmer, the head of information technology at Lexis-Nexis, a legal and media data base.

Lexis-Nexis, with 500,000 customers worldwide, says it has more information in its computer banks than all other services on the Internet combined at 1 billion documents worth. Lexis-Nexis also plans to add a huge mass of information to the Internet. Whether the move makes any money for its owners, the British-Dutch publishers Reed Elsevier PLC, remains to be seen.

"I have not got the vaguest idea how much potential there is in the Internet for us," Mr. Farmer said.

That mystery partly reflects the universal conundrum over how anybody can make money from the Internet. It also reflects doubts over the profitability of an electronic marketplace containing more sources of information than the average big city public library. The overabundance of services on the Net has already had a dramatic effect on pricing.

"Information that once we could have charged for is now being made ubiquitous," said Joseph Dionne, chairman of the McGraw Hill Cos. Basic trade and economic statistics as well as basic news services are now widely available on the Net for free.

But such information providers as McGraw Hill, Reuters PLC and The Associated Press hope to compensate in sheer volume for what they have lost in pricing ability.

"We see the Net as a huge opportunity for us," said Peter Thomas, director of communications at Reuters. "We are the leading supplier of news services on the public Web." The on-line distributors of Reuters include America Online, the Microsoft Network and Yahoo.

Reaching the Internet's huge potential audience costs the information compilers nothing. "Today, all these products start out in digital form anyway, so for us it is just a question of what form the customers want them in," Mr. Dionne said. If a customer wants to download a full credit analysis of a company from McGraw Hill's Standard & Poor's Corp. unit, for instance, that report already exists in electronic form and to put it on the Net carries no additional cost.

For Lexis-Nexis, even the 500,000 subscribers it already has pales in comparison with the number of customers potentially available on the Net. The core of the company's market is likely to remain the libraries, large law firms and media organizations that tap the Lexis-Nexis computers in Ohio through leased telephone lines. What the Net offers is access to what Lexis-Nexis executives call the "casual user."

To do that, Lexis-Nexis is not just plugging a new phone line labeled Internet into its data base. Instead, it will shelve its complex old-code books, the tomes that made navigating Lexis-Nexis an art form, and replace them with the latest Netscape Web navigator program, which is used by millions of people around the world.

In typical Internet fashion, one of the more attractive aspects of that approach is that somebody else foots the bill. "We will adjust and exploit the technological standards of the Web, like Web browsers, that others have paid to develop and distribute," Mr. Farmer said.

By embracing Netscape and moving to the Internet, the information companies skirt being stuck with a proprietary system that has missed one too many changes in its marketplace. "In the network business, technological obsolescence is always just around the corner," Mr. Dionne said.

Internet address: CyberScape@IHT.com

CURRENCY RATES

Cross Rates Nov. 22

	$	£	DM	FF	Lira	Dfl	BF	SF	Yen	C$	Peseta
Amsterdam	1.805	2.835	1.1379	0.338	0.1127	—	5.443	1.3365	1.5159	1.265	1.3357
Brussels	38.97	39.14	24.6125	6.8885	2.4374	10.376	—	24.395	0.2781	23.15	24.8875
Frankfurt	1.592	2.5012	—	0.2953	0.1033	0.8914	4.0617	1.1834	1.3497	1.1256	1.1888
London (c)	1.4821	—	2.2955	0.542	0.1921	2.1134	32.2661	2.1299	186.986	2.2514	212.2234
Madrid	190.201	292.919	84.132	24.871	8.832	79.992	4.8819	79.619	113.55	84.342	—
Milan	1,454.68	2,234.78	998.38	294.34	—	889.35	48.387	1,178.75	23.03	1,718.79	71.888
New York (b)	—	1.6855e	1.337	5.1725	1,596.88	1.4966	31.88	1.2708	111.37	1.341	126.745
Paris	5.3865	8.5795	3.3886	—	0.3387	3.0224	0.1646	4.8122	4.5349	3.881	4.8895
Tokyo	171.25	98.87	74.35	21.91	6.746	66.29	3.6982	97.95	—	83.15	0.9853
Toronto	1.3411	2.3534	0.8898	0.2632	0.0837	0.7932	0.0436	1.1655	1.2047	—	1.1858
Zurich	1.1311	2.13	0.8428	0.2489	0.0845	0.232	4.0885	—	1.1307	0.8466	1.0012
1 ECU	1.2066	0.7033	1.1228	0.3481	1,077.38	2.1673	39.8169	1.1817	140.134	1.2228	163.91
1 SDR	1.4189	0.8865	2.1707	1.4091	2,187.29	3.4987	45.8995	1.4859	162.66	N.Q.	194.397

Closings in Amsterdam, London, Milan, New York, Paris, Toronto and Zurich; fixings in other centers.
*e: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	257.12	Mex. peso	7.87	S. Afr. rand	4.673
Australian $	1.2329	Hong Kong $	7.7315	N. Zealand $	1.4806	S. Kor. won	828.30
Austrian sch.	10.565	Hung. forint	158.67	Norw. krone	6.3404	Saud. Arabia	6.6134
Brazil real	1.0303	Indian rupee	35.72	Pak. rupee	36.24	Taiwan $	27.49
Chinese yuan	8.3313	Indo. rupiah	2342.85	Peso	2.81	Thai baht	25.42
Czech koruna	26.66	Irish £	0.5935	Port. escudo	151.77	Turkish lira	99293.
Danish krone	5.767	Israeli shek.	3.2507	Russ ruble	5495.0	UAE dirham	3.6705
Egypt. pound	3.394	Kuw dinar	0.296	Saudi riyal	3.75	Venez. bolív.	469.50
Fin. markka	4.8335	Malay. ring.	2.5185	Sing. $	1.4005		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6842	1.6830	1.6817	Japanese yen	110.80	110.29	109.84
Canadian dollar	1.3285	1.3284	1.3298	Swiss franc	1.2659	1.2622	1.2587
Deutsche mark	1.4984	1.4954	1.4927				

Sources: ING Bank (Amsterdam); inclusive: Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

LUXOR INVESTMENT COMPANY
Société Anonyme
10A, Boulevard Royal - Luxembourg
R.C. Luxembourg B 27.109

NOTICE TO THE SHAREHOLDERS

By an Extraordinary General Meeting held on October 14, 1996, the shareholders of LUXOR INVESTMENT COMPANY have decided to change the legal form of the Company from a "société anonyme d'investissement with a fixed capital" into a "société d'investissement à capital variable" governed by the law of 30th March, 1988 regarding collective investment undertakings.

The certificates representing the outstanding shares of the Company "Luxor Investment Company" will be stamped from December 1, 1996 onwards, to reflect these changes. Shares certificates should be tendered for stamping to :

Banque Paribas Luxembourg
10A, Boulevard Royal
Luxembourg
Tél: (352) 46.46.1

From January 2, 1997, only stamped certificates will be accepted at the Luxembourg Stock Exchange.

The latest available prospectus may be obtained at the Registered Office of the Company, 10A, Boulevard Royal, Luxembourg.

For the Board of Directors

OFFICE OF GUY MARIANI, ESQ.
Official Receiver - Entered on the national list
10 Cours Mirabeau - 13100 AIX-EN-PROVENCE - FRANCE

COURT-ORDERED REORGANIZATION
M.P.M.P.-RIVIERA GROUP

CALL FOR TENDER OFFERS

Guy MARIANI, Esq., appointed in his capacity as Official Receiver by a judgment of the Commercial Court of Aix-en-Provence dated 07/31/1996, IN CHARGE OF THE COURT-ORDERED REORGANIZATION OF THE COMPANIES MAKING UP THE M.P.M.P. SANITAIRE - RIVIERA GROUP, located at 7 Traverse du Portugal, 13010 Marseille, namely

1/ S.A. M.P.M.P. SANITAIRE:
Operations: Flushing mechanism, accessories for bathrooms and lavatories. The product is the lead product in its branch of activity. The company owns patents, dies, [a] trademark.
1995 sales, net of taxes: 56.8 million francs, including 15.3 million on the export market.
Staff: 18 employees, mostly sales people.

2/ S.A. RIVIERA:
Operations: Reserve water tanks, accessories. A reference product on the market; it is a top-of-the-line tank. The company owns patents, dies, [a] trademark.
1995 sales, net of taxes: 33 million francs, including 3.7 million on the export market.
Staff: 15 employees, mostly sales people.

3/ S.P.M.P.:
Operations: The group's holding company, owner of buildings. A services contract ties it to the administration of penal establishments: it provides for the employment of 80 inmates.
Staff: 13 employees.

4/ D.A.P.I.:
Operations: Industrial manufacturing of the products distributed by RIVIERA and M.P.M.P. SANITAIRE.
Staff: 89 employees.

Informs potential buyers that bids concerning a sale (of the entire group or company by company) within the framework of the reorganization plan must be submitted on THURSDAY, DECEMBER 12, 1996 at 4 p.m., in accordance with the provisions of article 83, paragraph 1 of the Law of January 25, 1985.

Proposals must be sent to:
Maître Guy MARIANI, Administrateur Judiciaire
10 Cours Mirabeau, 13100 Aix-en-Provence, France.
Téléphone: 33.4.42.16.12.04. Fax: 33.4.42.16.12.16.



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هكذا من الأصل

CAPITAL MARKETS ON MONDAY

European Markets Brace for End of Their Rally

By Carl Gewirtz
International Herald Tribune

PARIS — The prospect of the lira's return to Europe's fixed exchange-rate system has fueled hectic buying of Italian bonds in anticipation that the move will be followed by a drop in domestic interest rates.

But analysts warn that rather than signaling more fervor about convergence in Europe, the Italian move may represent the climax in the monthslong rally in bond markets.

Although fast-falling interest rates are already built into prices in the Italian market, analysts also fear that a weakening dollar will increase tensions in Europe.

Approached from the opposite point of view, a strengthening Deutsche mark pulls up the currencies linked to it. That is likely to inflame inherent conflicts as countries, such as France, try to keep their currencies even with the mark at a time when high unemployment rates are rising further and growth prospects are dull.

Fresh warning of this conflict was sounded last week when former President Valery Giscard d'Estaing urged Paris to go it alone, if Bonn refused to follow, in driving down the franc against what looks like a sagging dollar.

"Fundamentals are pointing squarely at a decline in the dollar," said Malcolm Roberts of Credit Suisse.

He predicted that the dollar would be at 1.4700 DM in three months, compared with 1.5070 DM currently, and at 107.00 yen, down from 111.37 yen.

"The dollar is vulnerable," said Neil MacKinnon of Citibank. Like Mr. Roberts and analysts at NatWest Securities Ltd., Goldman, Sachs & Co. and Lehman Brothers, he expects a widening U.S. trade deficit as inevitably exerting downward pressure on the dollar.

But an anticipated lift to the dollar from a rise in U.S. interest rates has faded to such a point that more analysts are beginning to wonder whether the Federal Reserve Board's next move will be to cut rates.

With the yield on 10-year U.S. government paper only 32 basis points higher than its German counterpart, down from 53 basis points a month ago, analysts warn that any further erosion through a continuing decline in U.S. rates will cause the dollar to weaken further.

"It increasingly looks like we've already seen the dollar's high for this year and the risk to year-end," said Kit Juckes of NatWest. "If we get additional soft data on the U.S. economy and further change in interest expectations, we could see further sharp rises in U.S. bond prices and, as yields decline, further weakness of the dollar."

Mr. Juckes said the Bundesbank was likely to cut German interest rates to keep the dollar from falling close to 1.40 DM but, to the distress of the French, it was unlikely to try to drive the dollar up to 1.60 DM by the same technique.

With so much optimism about European monetary union already priced into such peripheral markets as Italy and Spain, Mr. Juckes advised against adding to positions at current prices.

"Risks have increased, and the potential rewards are not worth it," he said. "The convergence trades are likely to hit a bump in the next couple of weeks, and a more defensive position is warranted."

But there was certainly no sign of caution last week when institutional investors rushed to buy into Russia's international bond. Originally said to be an offer of $500 million, Russia sold $1 billion of five-year paper at a spread of 345 basis points over comparable U.S. Treasury notes.

This week, Fuji Bank Ltd. will come to the market with the largest equity-linked offering ever — 210 billion yen ($1.89 billion) of bonds convertible into preferred shares. The proceeds will be used to improve its capital base.

Banque Nationale de Paris will also be raising regulatory capital through the sale of dollar-denominated subordinated perpetual notes that can be called after 10 years.

Cool Economy to Keep Heat on Bond Prices

Compiled by Our Staff From Dispatches

NEW YORK — U.S. bonds are poised to round out a third month of gains this week as investors welcome evidence that the economy is cooling.

The Treasury market was drifting by the end of last week, said Ward McCarthy of Stone and McCarthy Inc., but an expected downward revision in third-quarter real gross domestic product and a probable decline in October durable goods, both scheduled for release Wednesday, should be "good stuff for the market."

Data showing a cooling of the economy could drive yields and interest rates lower, analysts said. "We could definitely see rates go lower," possibly as soon as next week, said David Albrycht, a fund manager at Phoenix Duff & Phelps in Hartford, Connecticut. "The economic signs indicate there is slowing."

But economists said illiquidity would hamper the market because of the Thanksgiving Day holiday.

On Friday, the yield on the benchmark 30-year Treasury bond finished at 6.44 percent, up from 6.41 percent Thursday, but it was down from 6.46 percent at the end of last week.

Analysts said economic news in the days ahead was expected to reinforce the view that growth is too slow to speed inflation and some investors are expecting the central bank to lower interest rates early next year.

The National Association of Realtors is expected to report Monday

U.S. CREDIT MARKETS

that sales of previously owned homes fell for the fifth consecutive month.

In addition, two separate reports Wednesday will probably show that the economy expanded 1.9 percent in the third quarter, rather than the 2.2 percent initially reported. The report on orders for durable goods, meanwhile, is expected to show a decline of 1.8 percent in October.

For bondholders, the question now is how much consumers will spend in the holiday shopping season, which traditionally begins the day after Thanksgiving.

Retail store sales will capture as much attention as the monthly employment report in the next few weeks as investors watch for signs of inflation. *(Bloomberg, Market News)*

Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Nov. 22. Prices supplied by Telekurs.

Rnk Name	Cpn	Maturity	Price	Yield
Australian Dollar				
246 N Sth Wales Tsy	8	07/16/01	101.9338	7.8500
Austrian Schilling				
219 Austria	5⅞	07/15/06	99.4500	5.9100
Belgian Franc				
135 Belgium	7	04/29/99	107.1200	6.5300
211 Belgium	9	03/28/03	119.1100	7.5600
233 Belgium	9	06/27/01	116.8700	7.7000
British Pound				
150 British Columbia	7½	12/31/03	99.0000	7.5800
194 Britain	7½	12/07/06	100.0930	7.4900
249 LB Schles Holst	7	12/29/00	98.6250	7.1000
Canadian Dollar				
131 Canada	7	12/01/06	106.5000	6.5700
212 Canada	8	06/01/23	115.20	6.9400
229 Canada	7¼	06/01/07	105.5970	6.8700
Danish Krone				
9 Denmark	8	03/15/06	108.0500	7.4000
14 Denmark	9	11/15/98	108.5500	8.2900
28 Denmark	7	11/10/24	92.0500	7.6000
31 Denmark	7	12/15/04	102.8800	6.8000
32 Denmark	9	11/15/00	112.7800	7.9800
37 Denmark	8	11/15/01	109.6500	7.3000
38 Denmark	7	11/15/07	100.4500	6.9700
53 Denmark	8	05/15/03	109.3500	7.3200
66 Denmark	6	12/10/99	102.9800	5.8300
76 Denmark	6	11/15/02	100.6600	5.9600
89 Denmark	7	08/15/97	102.2200	6.8500
116 Denmark	7	02/15/98	103.4600	6.7700
139 Denmark	6	02/15/99	103.0700	5.8200
158 Deutsche Fin	zero	11/18/26	10⅛	7.7600
198 Nykredit 3 Cs	6	10/01/26	85.1500	7.0500
206 Real Kredit	6	10/01/26	84.8000	7.0800
Deutsche Mark				
1 Germany	6¼	04/26/06	102.8114	6.0800
2 Germany	6	01/05/06	100.9725	5.9400
3 Germany	6	02/16/06	100.9760	5.9400
4 Germany	5	05/21/01	101.3375	4.9300
5 Germany	6½	10/14/05	104.3500	6.2300
7 Germany	7⅜	01/03/05	110.2067	6.6900
8 Germany	8	01/21/02	113.2200	7.0700
11 Germany	8¼	09/20/01	113.9900	7.2400
12 Germany	6⅞	05/12/05	106.8860	6.4300
13 Germany	8¾	08/20/01	115.9367	7.5500
15 Treuhand	7½	09/09/04	110.8900	6.7600
16 Germany	8	07/22/02	113.5533	7.0500
17 Germany	5¼	02/21/01	102.3067	5.1300
18 Germany	7½	11/11/04	111	6.7600
20 Germany	5¾	08/22/00	104.1575	5.5200
21 Germany	5⅛	11/21/00	101.9960	5.0200
22 Treuhand	6⅜	07/09/03	106.0367	6.2500
23 Treuhand	7⅛	01/29/03	108.9888	6.5400
24 Treuhand	6⅞	06/11/03	107.4833	6.4000
25 Germany	8⅜	12/20/00	115.2300	7.7000
26 Germany	8½	02/20/01	114.1200	7.4500
30 Germany	3½	09/18/98	99.8340	3.5100
33 Germany	6¼	01/04/24	93.9920	6.6500
34 Germany	9	10/20/00	115.3360	7.8000
35 Treuhand	7¾	10/01/02	112.2267	6.9100
36 Germany	5⅝	05/15/00	104.6200	5.6200
39 Germany	6½	07/15/03	105.4100	6.1700
40 Treuhand	6½	04/23/03	105.5800	6.1600
41 Germany	8⅜	05/21/01	114.0600	7.3400
43 Germany	5¾	08/20/98	103.6050	5.5500
44 Germany	5¼	11/20/97	101.8700	5.1500
47 Germany	6	09/15/03	103.0700	5.8200
48 Treuhand	7⅜	12/02/02	110.4250	6.6800
49 Germany	6¾	09/15/99	107.1000	6.3000
50 Treuhand	6⅜	07/01/99	105.7400	6.0300
52 Germany	7	01/13/00	107.9400	6.4900
55 Treuhand	6¼	03/04/04	103.6000	6.0300
56 Germany	7⅛	12/20/02	109.2325	6.5200
57 Treuhand	6¾	05/13/04	106.3786	6.3500
64 Germany	6¾	04/22/03	106.9471	6.3100
65 Germany	9	01/22/01	115.8720	7.7700
67 Germany	6⅝	01/20/98	103.6000	6.3900
68 Germany	6½	03/15/00	106.5200	6.1000
69 Treuhand	6⅛	03/26/98	103.4600	5.9200
70 Germany	7	12/22/97	103.8000	6.7400
72 Treuhand	5	12/17/98	102.4867	4.8800
73 Germany	6¾	07/15/04	106.4333	6.3400
74 Germany	8	09/22/97	103.7600	7.7100
77 Germany	6⅜	05/20/98	104.1300	6.1200
80 Germany	6⅞	12/02/98	106.0300	6.4800
85 Germany	6	06/20/16	93.9425	6.3900
90 Germany	5¼	10/20/98	102.9075	5.1000
91 Germany	8½	07/21/97	103.1800	8.0000
95 Treuhand	6	11/12/03	102.5575	5.8500
98 Treuhand	6¼	07/29/99	105.5600	5.9200
99 Germany	6	02/20/98	103.0700	5.8200
107 Germany	6⅞	02/24/99	106.4300	6.4600
109 Germany	7¼	10/20/97	103.4600	7.0100
111 Germany	8½	08/21/00	113¼	7.5100
115 Germany	5⅜	02/22/99	103.3800	5.2000
118 Treuhand	6⅛	06/25/98	103.9100	5.8900
119 BA Credit Card	6	11/15/05	102.4782	5.8500
120 Germany	8¾	07/20/00	113.9625	7.6800
121 Germany	7½	10/20/97	103.6720	7.2300
129 Germany Tbills	zero	01/17/97	98.9291	7.1400
149 Depfa Bank	4¾	11/13/01	98.4563	4.8200
151 Treuhand	5⅝	09/24/98	103.4700	5.4400
154 Treuhand	5	01/14/99	102.5020	4.8800
155 Germany	5¼	02/25/98	102.2100	5.1400
157 Treuhand	7	11/25/99	108.0000	6.4800
161 Germany	6¼	02/20/98	103.3700	6.0500
162 Germany	7¼	10/21/02	109.9000	6.6000
167 Germany	8	03/20/97	101.4900	7.8800
168 Germany	8⅜	01/20/97	100.7700	8.3100
169 Capital Credit Cd	5⅜	08/15/01	102.3842	5.4900
176 Treuhand	5¾	04/29/99	104.2100	5.5200
179 Germany	7	09/20/99	107.4613	6.5100
183 Germany	2.848	09/30/04	99.0800	2.8700
187 Germany	6⅜	05/20/97	101.4900	6.2800
197 Germany	8¾	05/22/00	113.7300	7.6900
205 German States	6¼	08/21/06	101.2300	6.1700
216 Germany	6⅛	03/20/98	103.4100	5.9200
221 Germany	6⅛	05/20/99	105.2100	5.8200
237 Germany	5¾	08/20/97	101.7600	5.6500
240 Germany	6½	01/02/99	105.3600	6.1700
242 Germany	7¾	02/21/00	110.1100	7.0400
245 Germany	6⅜	01/20/98	103.3000	6.1700
Dutch Guilder				
19 Netherlands	6¼	07/15/98	104.1400	6.0000
54 Netherlands	5¾	09/15/02	102.8500	5.5900
59 Netherlands	6	01/15/06	101.6500	5.9000
79 Netherlands	8¼	06/15/02	115	7.1700
93 Netherlands	7	08/15/99	107.3500	6.5200
96 Netherlands	5¾	01/15/04	101.4500	5.6700
105 Netherlands	7½	01/15/23	111.9500	6.7000
108 Netherlands	8¾	09/15/01	116.2800	7.5200
110 Netherlands	8¼	02/15/00	111.45	7.4000
112 Netherlands	6¾	11/15/05	106.7500	6.3200
113 Netherlands	7	03/15/99	106.6500	6.5600
133 Netherlands	7½	04/15/10	112.8500	6.6500
143 Netherlands	7¼	10/01/04	110.3000	6.5700
147 Netherlands	9	05/15/00	114.40	7.8700
159 Netherlands	9	07/01/00	114.6000	7.8500
160 Netherlands	7¾	03/01/05	113.45	6.8300
170 Netherlands	9	01/15/01	115.8500	7.7700
172 Netherlands	7½	06/15/99	108.2500	6.9300
174 Netherlands	6½	04/15/03	106.2500	6.1200
177 Netherlands	8½	06/01/06	119.3600	7.1200
180 Netherlands	8½	03/15/01	114¼	7.4400
201 Netherlands	7½	11/15/99	108.9500	6.8800
209 Netherlands	8¾	05/01/00	113.40	7.7200
210 Netherlands	6½	01/15/99	105.3500	6.1700
222 Netherlands	8¼	02/15/02	114.5900	7.2000
236 Netherlands	9¼	11/30/00	116.6500	7.9300
239 Netherlands	7	02/15/03	109.0500	6.4200
ECU				
81 France OAT	7½	04/25/05	108.9400	6.8800
97 France B.T.A.N.	6	03/16/01	103.3700	5.8000
100 France OAT	7	04/25/06	105.5000	6.6400
102 Britain	9⅛	02/21/01	114⅜	7.9800
106 France BTAN	5	03/16/99	101.0900	4.9500
124 France BTAN	7¼	03/16/98	103.6500	6.9900
126 UK T-note	5	01/26/99	100.7750	4.9600
132 UK T-note	8	01/27/98	104.1100	7.6800
145 France OAT	6¾	04/25/02	105.2000	6.4200
152 France OAT	8¼	04/25/22	113	7.3000
186 France OAT	9½	04/25/00	114.20	8.3200
213 Britain T-bills	zero	02/13/97	98.4710	6.9200
234 Spain	zero	02/14/97	98.4597	6.8900
Finnish Markka				
199 Finland	10	09/15/01	121.2330	8.2500
241 Finland sr 1999	11	01/15/99	114.4630	9.6100
French Franc				
104 France OAT	5½	04/25/04	100.0100	5.5000
138 France BTAN	7	10/12/00	108.6500	6.4400
144 France B.T.A.N.	5¾	03/12/98	102.6100	5.6000
175 France OAT SP	zero	04/25/23	15.4800	7.3100
181 France OAT	8½	05/25/99	109.5600	7.4200
214 France BTAN	7	11/12/99	107.7900	6.4900
215 France B.T.A.N.	4½	10/12/98	101.2400	4.4400
218 France OAT	7¾	04/25/06	110.5400	6.5600
248 France BTAN	7¾	08/12/97	102.6000	7.0700
Italian Lira				
127 Dresdner Bank	zero	11/20/26	90.0000	0.3500
137 Deutsche Bk Fin	zero	10/15/26	11½	7.5000
153 Italy	9½	02/01/06	111.8800	8.4900
165 Italy	9½	02/01/99	105.9000	8.9700
195 Italy	9	11/01/23	110.6050	8.1400
Japanese Yen				
88 Italy	3.70	11/14/16	100.3158	3.6900
122 Spain	3.10	09/20/06	101.7500	3.0500
163 World Bank	4½	06/20/00	110⅞	4.0600
171 EIB	3	09/20/06	101.5000	2.9600
203 World Bank	5¼	03/20/02	116⅝	4.5000
228 World Bank	4¾	12/20/04	116	4.0900
238 Den Norske Bk	1	11/18/99	90.0000	1.1100
Spanish Peseta				
84 Spain	8.80	04/30/06	110.5100	7.9600
188 Spain	10.10	02/28/01	113.0640	8.9300
189 Spain	10.90	08/30/03	120.9130	9.0100
217 Spain	10	02/28/05	117.1660	8.5300
232 Spain	8.40	04/30/01	107.1790	7.8400
250 Spain	9.40	04/30/99	106.8570	8.8000
Swedish Krona				
27 Sweden	11	01/21/99	111.2200	9.8900
86 Sweden 1036	10¼	05/05/00	113.2700	9.0500
87 Sweden	6	02/09/05	93.7600	6.4000
185 Sweden 1037	8	08/15/07	105.7800	7.5600
191 Sweden	13	06/15/01	126.2300	10.3000
U.S. Dollar				
6 Brazil	4½	04/15/14	75.9900	5.9200
10 Argentina FRN	6⅝	03/29/05	84.8800	7.8100
29 Brazil L	6½	04/15/06	85.6200	7.5900
42 Venezuela	6⅝	12/18/07	84.0300	7.8800
45 Argentina par L	5¼	03/31/23	62.6200	8.3800
46 Bay LB zert	6½	11/19/01	101.5000	6.4000
51 Brazil S.L	6⅝	04/15/12	73.0000	8.9900
58 Brazil par ZI	5	04/15/24	62.3357	8.0200
60 Venezuela par A	6¾	03/31/20	74.8800	9.0100
61 Brazil 910.0	6⅝	01/01/01	96.0000	6.9700
62 Bulgaria	6⅝	07/28/11	47.8002	13.9900
63 Mexico	11½	05/15/26	103.8750	11.0700
71 Bulgaria	6⅝	07/28/24	53.3800	12.5300
75 Brazil S.Z	6½	04/15/24	75.0600	8.6600
78 Ecuador	3	02/28/15	61.1272	4.9100
82 Mexico par B	6¼	12/31/19	73.1200	8.5500
83 Mexico par A	6¼	12/31/19	73.1200	8.5500
92 Brazil S.L	6⅝	04/15/09	79.6200	8.2400
94 EIB	zero	11/06/26	14¼	6.7200
101 Argentina	11	10/09/06	103.0000	10.6800
103 Ecuador par	3¼	02/28/25	45.7500	7.1000
114 Argentina	5⅜	04/01/01	120.6000	4.4569
117 Mexico	11½	09/15/16	103.3000	11.0100
123 Bulgaria	2¼	07/28/12	36.5215	6.1600
125 Mexico	7⅝	08/06/01	100.1600	7.5504
128 World Bank	5.68	09/27/99	99.8899	5.6900
130 Sallie Mae	4½	08/02/99	96.5000	4.6600
134 Britain	5¾	10/04/01	99.7900	5.3900
136 Venezuela	6¾	03/31/20	74.8800	9.0100
140 Argentina L	6⅝	03/31/23	74.7500	8.6100
141 Britain	6¾	07/19/01	102.8750	6.5600
142 Korea Dev Bank	6⅝	11/21/03	98.5258	6.7200
146 Hitachi Credit	6⅝	11/19/01	101.0000	6.5600
148 Kyushu El Pwr	6½	11/20/01	101.0000	6.4400
156 Mydfa Trust	6⅝	09/15/07	84.1300	7.9490
164 EIB	7⅛	09/18/06	105.5000	6.7500
166 Mexico D	6.4531	12/28/19	84.3900	7.6500
173 Panama pdi	4	07/17/16	71.4383	5.6000
178 East Japan Ry	7½	10/11/06	104.2500	6.9500
182 Italy	6⅞	09/27/23	97.7500	7.0300
184 Canada	5¼	02/10/99	99.7100	5.2700
190 Philippines Flx	8¾	10/07/16	101.5000	8.6200
192 Poland	4	10/27/14	85.1029	4.7000
193 Argentina	8⅜	12/20/03	92.5000	9.0500
196 Mexico A	6.453	12/31/19	84.3800	7.6500
200 Brazil Cbond S.L	4½	04/15/14	63.0950	7.1300
202 Nigeria	6¼	11/15/20	66.0000	9.4700
204 Mexico B	6¾	12/31/19	84.3800	7.5600
207 Credit Lyonnais	6⅝	12/31/99	98.1300	6.7500
208 Suedwest LB	6⅜	11/07/01	101.0000	6.3100
220 Sweden	4½	03/24/99	97.2500	4.6300
223 Sweden	5⅜	02/08/01	99.9600	5.3800
224 Hokuriku El Pwr	7	10/03/01	102.7500	6.8100
225 Italy	7	09/18/01	103.1250	6.7900
226 Canada	6½	05/30/01	101.8750	6.3800
227 Poland	6½	10/27/24	97.0000	6.7000
230 Canada	6¾	08/28/06	102.3750	6.5900
231 Bco Com Ext.	7¼	02/02/04	87.1250	8.3200
235 Ecuador	6½	02/28/25	67.5220	9.6300
243 World Bank	8⅛	03/01/01	108.8750	7.4600
244 Ldwirt Rentenbk	6	04/10/00	100.3750	5.9800
247 Finland	5.887	07/17/97	100.1200	5.8808

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Amvestors CBO Trust A	$160	2007	libor	99.688	—	Interest will be pegged to the 3-month Libor. Average life 7.9 years. Fees 0.50%. (Lehman Brothers Int'l.)
Banco Fonsecas & Burnay	$100	perpt	0.70	99.745	—	Over 3-month Libor. Callable at par from 2001. Fees 0.625%. Denominations $10,000. (J.P. Morgan Securities.)
Cho Hung Bank	$200	1999	0.20	100.00	—	Over 6-month Libor. Noncallable. Fees 0.20%. (Citibank Int'l.)
Citibank Credit Card Master Trust	$625	2008	0.13	open	—	Over 3-month Libor. Noncallable private placement. Fees 0.425%. (Merrill Lynch Int'l.)
Industrial Bank of Korea	$110	1999	0.10	99⅞	—	Over 3-month Libor. Noncallable. Fees 0.15%. (Barclays de Zoete Wedd.)
Seoulbank	$100	1999	0.445	100.00	—	Over 6-month Libor. Noncallable. Fees 0.135%. (SBC Warburg.)
Europaische Hypothekenbank	DM200	2000	libor	100.195	—	Interest will be the 3-month Libor. Noncallable. Fees 0.20%. (Deutsche Morgan Grenfell.)
Merrill Lynch & Co.	DM200	2002	³⁄₁₆	99.97	—	Over 3-month Libor. Noncallable. Fees 0.20%. (Merrill Lynch Int'l.)
Chester Asset Receivables Dealings 3	£240	2006	0.10	100.00	—	Over 3-month Libor. Reoffered at 99.889. Average life 7 years. Fees 0.311%. Denominations £100,000. (J.P. Morgan Securities.)
Fixed-Coupons						
Chugoku Electric Power	$250	2001	6¼	101.386	99.80	Reoffered at 99.786. Noncallable. Fees 1⅝%. (IBJ Int'l.)
Edenor	$120	2001	9¾	99.69	—	Semiannually. Noncallable. Fees 0.80%. Denominations $10,000. (Citibank Int'l.)
KFW Int'l Finance	$150	2001	6¼	101⅛	99.55	Reoffered at 99¼. Callable at par from 1998. Fees 1⅞%. (Morgan Stanley Int'l.)
L-Bank	$250	2002	6	101.00	99.25	Reoffered at 99.40. Noncallable. Fees 1⅝%. (Merrill Lynch Int'l.)
New Zealand	$100	1997	4⅞	100.00	—	Noncallable private placement. Fees 0.50%. (Nomura Int'l.)
Nippon Telegraph & Telephone	$300	2001	6⅛	101.534	100.20	Reoffered at 99.909. Noncallable. Fees 1⅝%. (ABN-AMRO Hoare Govett.)
Norddeutsche Landesbank	$200	2000	6	101.30	99.80	Reoffered at 99.50. Noncallable. Fees 1⅝%. (Daiwa Europe.)
Oesterreichische Kontrollbank	$500	2006	6½	101.635	100.20	Reoffered at 99.96. Noncallable. Fees 2%. (Goldman Sachs Int'l.)
Petrobras Distribuidora	$150	1997	7½	99.825	—	Noncallable. Fees 0.30%. Denominations $10,000. (Barclays de Zoete Wedd.)
Russia	$1,000	2001	9¼	99.561	99.50	Semiannually. Noncallable. Fees 1%. Denominations $10,000. (J.P. Morgan Securities.)
Student Loan Marketing Association	$500	1999	6.16	100.00	—	Semiannually. Callable at par from Dec.1997. Fees 0.15%. Denominations $10,000. (Merrill Lynch Int'l.)
Toyota Motor Credit Corp.	$250	1999	5⅝	100.8865	99.70	Reoffered at 99.699. Noncallable. Fees 1⅛%. (ABN-AMRO Hoare Govett.)
Chugoku Electric Power	DM300	2003	5⅜	102.02	99.00	Reoffered at 99.57. Noncallable. Fees 2⅛%. (Commerzbank.)
DSL Finance	DM250	2002	5	101.88	99.70	Reoffered at 100.13. Noncallable. Fees 2%. (CSFB Effectenbank.)
Inter-American Development Bank	DM500	2001	4¾	101.023	99.60	Reoffered at 99.648. Noncallable. Fees 1⅛%. (ABN-AMRO Hoare Govett.)
Turkey	DM750	2001	7⅝	101.35	—	Reoffered at 99.85. Noncallable. Fees 2⅛%. (Deutsche Morgan Grenfell.)
Bayerische Landsbank	£200	2001	7⅛	101.435	—	Reoffered at 99.81. Noncallable. Fees 1⅝%. (CS First Boston.)
Commerzbank Overseas Finance	£100	2000	7¼	100.876	—	Reoffered at 99.476. Noncallable. Fees 1⅛%. (Commerzbank.)
European Investment Bank	£100	2000	7	99.37	—	Noncallable. Fungible with outstanding issue, raising total amount to £350 million. Fees 0.225%. (Nikko Europe.)
Morgan Guaranty Trust	£150	2001	7⅛	101.042	—	Reoffered at 99.417. Noncallable. Fees 1⅝%. (J.P. Morgan Securities.)
National Westminster Bank	£300	2011	8⅛	100.867	—	Reoffered at 99.267. Callable at par in 2006, when coupon may be reset. Fees 2%. Denominations £10,000. (Natwest Capital Markets.)
Abbey National Treasury Services	FF1,000	2006	5.40	101.76	—	Reoffered at 100.11. Noncallable. Fees 2%. (Banque Paribas Capital Markets.)
Credit Local de France	FF1,000	2001	5⅜	103.283	—	Reoffered at 101.658. Noncallable. Fungible with outstanding issue, raising total amount to 3.5 billion francs. Fees 1⅝%. (Banque Nationale de Paris.)
European Investment Bank	FF1,500	2007	4½	101.675	—	Interest will be a fixed 4½% until 2000, thereafter 0.98 below the TEC-10 bond index. Reoffered at par. Noncallable. Fees 2%. Payable in Jan. (Societe Generale.)
Norddeutsche Landesbank	FF1,500	2003	5⅜	101.074	—	Reoffered at 99.499. Noncallable. Fees 1⅞%. (Caisse des Depots et Consignations.)
Abbey National Treasury Services	ITL 200,000	2001	7	101.525	—	Callable at par in 1998. Fees 1⅝%. (Cariplo.)
Cariplo London Branch	ITL200,000	2011	zero	31.755	—	Yield 7.997%. Callable at 49.635 in 2003. Fungible with outstanding issue, raising total face amount to 1 trillion lire. Fees 1⅝%. (Cariplo.)
Dresdner Finance	ITL300,000	2006	7⅜	101.46	—	Noncallable. Fees 2%. (Banca Nazionale del Lavoro.)
L-Bank	ITL200,000	2006	7.30	101.37	—	Noncallable. Fees 2%. (J.P. Morgan Securities.)
Rabobank Nederland	ITL200,000	2008	7⅝	101.58	—	Noncallable. Fees 2%. (Credito Italiano.)
World Bank	ITL1,000,000	2016	zero	25.753	—	Yield 7.06%. Reoffered at 23.903. Noncallable. Proceeds 252 billion lire. Fungible with outstanding issue, raising total face amount to 3 trillion lire. Fees 2%. (Credito Italiano.)
DSM	DF300	2006	6¼	100.855	—	Reoffered at 99.28. Noncallable. Fees 2%. (ABN-AMRO Hoare Govett.)
Kredietbank Int'l Finance	DF200	perpt	6⅛	100.23	—	Interest will be a fixed 6⅛% until 2006, thereafter 2½ over Treasuries. Reoffered at 98.98. Callable at par on any coupon payment date. Fees 2%. (Rabobank Int'l.)
Caisse Nationale du Credit Agricole	ECU100	2003	zero	72.918	99.50	Yield 5.405%. Reoffered at 71.793. Noncallable. Proceeds 72 million Ecus. Fees 1⅝%. Payable in Jan. (Banque Paribas Capital Markets.)
Export Development Corp.	Y13,000	1999	5.45	98½	—	Semiannually. Redemption at maturity will be in Australian dollars. Noncallable. Fees 0.20%. (Long-Term Credit Bank Int'l.)
Japan Development Bank	Y50,000	2006	2⅞	100.00	—	Noncallable. Fees 0.325%. Denominations 10 million yen. (Nomura Int'l.)
Loan Part Global Investment	Y10,000	2003	2.54	100.00	—	Noncallable private placement. Fees not disclosed. Also 3 billion yen due 1999 and paying 1.30%. (Bank of Tokyo-Mitsubishi Int'l.)
Merrill Lynch & Co.	Y12,000	2001	1.94	100.30	—	Noncallable private placement. Fees 0.30%. Denominations 100 million yen. (Merrill Lynch.)
Reichhold Finance USA	Y10,000	2000	1.60	101.525	—	Noncallable. Fees 1⅛%. Denominations 100 million yen. (Morgan Stanley Int'l.)
Equity-Linked						
Acer Peripherals	$100	2006	1¼	100.00	—	Redeemable at 132.77 in 2001. Convertible at T$54.50 per share and at T$27.494 per dollar. Fees 2½%. (Nomura Int'l.)
United News & Media	£180	2003	6⅛	100.00	—	Semiannually. Callable at par in 2001. Convertible at £8.05 per share, an 18% premium. Fees 2½%. (Dresdner Kleinwort Benson.)

The Week Ahead: World Economic Calendar, Nov. 25-29

A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

	Asia-Pacific	Europe	Americas
Expected This Week	**Manila:** Asia-Pacific Economic Cooperation forum. Heads of state meet in closed session Monday. Until Tuesday.	**Bern:** November inflation figures. **Dublin:** 10th Annual European Finance Convention. **Frankfurt:** Bundesbank may release revised German industrial production for September. **Wiesbaden, Germany:** West German November cost-of-living index.	**Buenos Aires:** Quarterly gross domestic product, current-account balance, fiscal-account balance and industrial production figures may be released. **Sao Paulo:** Quarterly gross domestic product, Retail sales and unemployment figures may be released.
Monday Nov. 25	**Manila:** National Power Corp. deadline to submit competing proposals for the Caliraya-Botocan-Kalayaan hydroelectric plant. **Tokyo:** Japan Chainstore Association releases October sales figures.	**Berlin:** Klaus-Dieter Kuehbacher, Bundesbank council member, speaks on euro versus Deutsche mark. **Paris:** Final October consumer price index. **Warsaw:** Economic growth report.	**Washington:** Home resales for October; he National Association of Business Economists holds a news conference to release its quarterly economic forecast and economic policy surveys for the 1996 and 1997.
Tuesday Nov. 26	**Tokyo:** Japan Automobile Manufacturers Association release figures for October vehicle production.	**London:** Chancellor of the Exchequer Kenneth Clarke presents budget for fiscal 1997-98 in Parliament. **Madrid:** Third-quarter unemployment. **Stockholm:** October producer prices.	**New York:** Johnson Redbook research service releases weekly survey of total sales at more than 20 U.S. department, discount and chain stores. **Washington:** November consumer confidence index.
Wednesday Nov. 27	**Manila:** Megaworld Properties & Holdings Inc. holds special stockholders' meeting to approve creation of 4 billion preferred shares. **Tokyo:** Bank of Japan releases quarterly Tankan survey; October sales figures.	**Frankfurt:** Daimler-Benz AG chief financial officer Manfred Gentz gives talk on financial strategies in international markets. **London:** September trade figures. **Madrid:** September industrial production.	**United States:** Markets close early on the eve of Thanksgiving holiday. **Washington:** Weekly report on mortgage applications; October durable goods orders; preliminary estimate of economic growth for the third quarter.
Thursday Nov. 28	**Tokyo:** Bank of Japan releases October corporate service price index; Japan Automobile Manufacturers Association releases October vehicle exports; Ministry of International Trade and Industry releases October industrial production.	**Copenhagen:** October unemployment; October consumer prices. **Paris:** Bank of France monetary policy council meets. Third-quarter preliminary gross domestic product, trade balance and new-housing figures.	**Ottawa:** Statistics Canada reports September employment, earnings and hours, and third-quarter international travel account.
Friday Nov. 29	**Board meetings:** Bombay Dyeing & Manufacturing Co., BSES Ltd., Ceat Ltd., Finolex Cables Ltd., Forbes Gokak Ltd., Godfrey Phillips Ltd., GRP Ltd., Harrisons Malayalam Ltd., Ingersoll Rand (India) Ltd., IPCA Laboratories Ltd.	**London:** October data on lending to individuals; October money supply growth rates. **Rome:** Preliminary third-quarter gross domestic product figures. **Stockholm:** Sydkraft AB releases nine-month results.	**Washington:** The Purchasing Management Association of Chicago releases its overall manufacturing index for November; October personal income and spending; weekly report on commercial and industrial loans at U.S. commercial banks.

Last Week's Markets

Stock Indexes

	Nov. 22	Nov. 15	% Ch'ge
United States			
DJ Indus.	6,471.76	6,348.03	+1.95
DJ Util.	235.40	234.91	+0.21
DJ Trans.	2,265.34	2,221.45	+1.98
S & P 100	723.11	712.59	+1.48
S & P 500	748.73	737.62	+1.51
S & P Ind	878.52	866.67	+1.37
NYSE Cp	394.66	390.02	+1.19
Nasdaq Cp	1,273.44	1,262.96	+0.83
Japan			
Nikkei 225	21,216.11	20,929.73	+1.37
Britain			
FTSE 100	4,018.70	3,958.20	+1.53
Canada			
TSE Indus.	5,917.80	5,870.56	+0.80
France			
CAC 40	2,255.47	2,240.33	+0.68
Germany			
DAX	2,763.69	2,795.80	−1.15
Hong Kong			
Hang Seng	13,116.79	12,889.37	+1.76
World			
MSCIP	829.14	820.71	+1.03

World index from Morgan Stanley Capital Int'l Perspective.

Money Rates

	Nov. 22	Nov. 15
United States		
Discount rate	5.00	5.00
Prime rate	8¼	8¼
Federal funds rate	5⅛	5¼
Japan		
Discount	0.50	0.50
Call money	0.43	0.42
3-month interbank	0.53	0.53
Britain		
Bank base rate	6.00	6.00
Call money	5⅞	5¹⁵⁄₁₆
3-month interbank	6⅛	6⅛
France		
Intervention rate	3.20	3.20
Call money	3⅝	3⅝
3-month interbank	3⅜	3⅜
Germany		
Lombard	4.50	4.50
Call money	3.07	3.06
3-month interbank	3.18	3.19

Gold	Nov. 22	Nov. 15	% Ch'ge
London p.m. fix $	377.00	379.25	-0.59

Euromarts

Eurobond Yields

	Nov. 22	Nov. 15	Yr high	Yr low
U.S. $, long term	6.58	6.68	7.28	6.17
U.S. $, mdm term	6.14	6.14	6.81	5.61
U.S. $, short term	5.81	5.95	6.48	5.19
Pounds sterling	7.52	7.54	7.88	6.99
French francs	5.14	5.15	6.38	5.11
Italian lire	7.51	7.51	10.45	7.51
Danish kroner	5.85	5.87	6.51	5.70
Swedish kronor	5.87	5.88	8.55	5.83
ECUs, long term	6.21	6.20	7.50	6.20
ECUs, mdm term	5.23	5.25	6.56	5.19
Can. $	5.70	5.68	7.41	5.68
Aus. $	7.10	7.16	9.04	7.10
N.Z. $	7.33	7.36	9.37	7.04
Yen	1.76	1.76	2.78	1.76

Source: Luxembourg stock exchange.

Weekly Sales

Nov. 21

Primary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	99.0	161.8	2,133.5	3,397.3
Convert.	—	—	94.3	54.6
FRNs	192.5	138.6	581.0	347.4
ECP	11,524.5	11,467.7	12,929.7	9,988.4
Total	11,816.0	11,768.1	15,738.5	13,787.7

Secondary Market

	Cedel Bk $	Cedel Bk Non$	Euroclear $	Euroclear Non$
Straights	17,699.8	23,420.6	60,960.0	31,069.5
Convert.	568.5	660.4	2,994.6	1,434.4
FRNs	16,679.0	3,850.1	53,918.5	6,672.3
ECP	12,644.3	18,551.0	22,546.8	30,660.6
Total	47,591.6	46,482.1	140,419.9	69,836.8

Source: Euroclear, Cedel Bank.

Libor Rates

	1-month	3-month	6-month
U.S. $	5⅜	5⁷⁄₁₆	5⁹⁄₁₆
Deutsche mark	3⅛	3¼	3¼
Pound sterling	6⅛	6½	6⁹⁄₁₆
French franc	3⅞	3½	3⅝
ECU	4⅜	4⁷⁄₁₆	4⁷⁄₁₆
Yen	½	½	⁹⁄₁₆

Sources: Lloyds Bank, Reuters.



Robust British Growth Fuels Fear

Worrisome Parallels to the Late 1980s Bring Admonishments

By Erik Ipsen
International Herald Tribune

LONDON — In contrast with business conditions on the Continent, Britain's economy is booming. Joblessness remains in steep decline, business creation runs at near-record levels and predictions that Britain will clock the fastest growth of any major industrialized nation next year abound.

In Germany, meanwhile, unemployment stands near a record 4 million, with restructuring in the manufacturing sector blamed for the loss of 300,000 jobs in the last year alone. In France, unemployment is also rising from record-high levels.

The economic grass on the western side of the English Channel has never looked greener. But it may not last long.

The problem, says Nigel Gault, chief European economist for DRI/McGraw Hill, is that Britain's prospects look "a bit too good." Against what he and most others say is a noninflationary, core rate of economic growth of 2.25 percent, most expect Britain to grow by close to 4 percent in 1997.

On the eve of the great set-piece economic event of year, the unveiling of the government's budget Tuesday, the big fear among British economists is that this sort of pre-election prosperity looks all too powerful, and all too familiar.

The last time consumers were spending with such confidence, home prices were rising with such strength and the government was this self-congratulatory came less than a decade ago. It is a period now remembered with rancor, most of all by the official guardian of a sound currency, the Bank of England.

Earlier this month, in discussing the central bank's economic outlook, its chief economist, Mervyn King, admonished policymakers to avoid the mistakes of the late 1980s, when inflation spiraled and interest rates doubled to 15 percent in less than a year and a half — throwing Britain into one of the deepest recessions of the postwar era.

The chancellor of the Exchequer, Kenneth Clarke, also remembers the late 1980s. His recent decision to lift interest rates by a quarter of a percentage point caught most observers by surprise, sending a clear signal that even with an election looming by May, London would slow the economy if it had to in order to maintain some grip on inflation.

But with the retail price inflation rate having jumped last month to 3.3 percent from 2.9 percent and with the broad measure of money supply expanding at 10 percent — double the rate of two years ago — few believe one tiny adjustment in interest rates will suffice.

"The acid test of the government's commitment to low inflation comes now," said Ian Amstad of Bankers Trust Co.

Most observers say Mr. Clarke will successfully fight calls from his party to include massive vote-winning tax cuts in the budget and will instead balance what tax trimming he does offer with planned reductions in government spending.

The problem is that mere budgetary restraint will likely prove insufficient.

"The best thing to do would be to tighten fiscal policy, since that would directly hit the booming consumer sector," said David Mackie of J.P. Morgan Securities Ltd. But since consumers are also voters, he concedes that there is little likelihood of the government's following his advice.

What worries economists, though, is that even interest rate increases they now expect will prove politically difficult.

Fund Looks to Latin America

Templeton's Top Performer Rides the Wave of Reform

Bloomberg Business News

NEW YORK — Three of the four top picks of the best-known emerging market investor are in Latin America.

Mark Mobius, a globetrotter who oversees $10 billion of emerging market investments for Templeton Emerging Markets Funds, said Brazil, Argentina and Mexico are among his top four picks as the best markets to invest in worldwide.

"We've been steadily taking money from Southeast Asia and adding to our positions in Latin America," Mr. Mobius said. "We are finding bargains in the region."

Mr. Mobius is perhaps the most visible emerging market fund manager, and he is also among the best performers. Over the past seven years, his fund has returned an annual 22.2 percent, the second best performance among more than 200 such funds tracked by the Micropal Emerging Market Fund Monitor.

"He's been able to outperform funds that are more specialized by managing a global fund," said Ian Wilson, the Monitor's editor. "That's pretty darned good."

Mr. Mobius has seen the emerging market funds he manages balloon from $100 million six years ago to almost $10 billion currently. At the end of October, Mr. Mobius had 29 percent of his portfolio in Latin America. That has been "steadily creeping up" said Mr. Wilson. Mr. Mobius had 26.8 percent of his fund in Latin America a year ago and 24.9 percent in the region at the end of 1994, Mr. Wilson said.

INVESTING

Mr. Mobius said that Brazil, his top pick in Latin America, would probably benefit from the government's plans to sell state-owned companies and implement other measures to open the economy to foreign investment and reduce the role of the government.

"We believe those reforms are going to have a big impact, not only on the individual companies, but on the economy as well. You are going to see economic growth accelerating in the future," he said.

Templeton's strategy is to focus on the state-controlled companies, betting the government will eventually sell its stakes and the companies will profit through greater efficiency.

The biggest Latin American holding in the portfolio is Telecomunicacoes Brasileiras SA, the Brazilian telephone company. Shares listed on the New York Stock Exchange have risen 62 percent so far this year.

Other Latin picks among Mr. Mobius's 10 largest holdings include Mexico's telephone company, Telefonos de Mexico SA, the Venezuelan electric utility, Electricdad de Caracas, Brazil's electric company, Eletrobras, and the Brazilian oil company, Petrobras.

One common thread is that all the companies either remain or once were in state hands and therefore can benefit from new investments and improved efficiency, he said. "The privatization effort has been going on for a number of years, but we've seen a perceptible acceleration of this process. It's very heartening," Mr. Mobius said.

Carlton Acquires U.K. Broadcaster

LONDON — Carlton Communications PLC has said it has acquired the Westcountry regional television station, in a surprise move that will establish Carlton as Britain's biggest commercial television broadcaster.

Carlton, which already owns an independent television license in the London region and the English Midlands, clinched the £85 million ($142.9 million) cash deal Saturday.

The deal gives Carlton a broadcast audience of 22 million people, or 38 percent of the population, and a 34 percent share of all net advertising revenue for independent television.

The move astounded the industry, which had been expecting a rival media group, United News & Media, to announce this week that it had completed an agreement with Westcountry.

"It is a pretty audacious move," an industry source said Saturday, referring to Carlton's bid. "The sum of £85 million is big money."

Westcountry, a private company with 1995 pretax profit of £5 million, holds the license for much of southwestern England, which government statistics show is growing faster than Britain as a whole. Westcountry's shareholders include South West Water PLC, General Trust PLC and Electra Investment Trust PLC.

United News has operations in the south and east of England, with Anglia TV. *(Reuters, Bloomberg)*

Bourses May Relax Circuit Breakers

By Floyd Norris
New York Times Service

NEW YORK — Representatives of U.S. stock exchanges are discussing a possible relaxation of the so-called circuit breakers, which halt stock trading if share prices plunge.

Allan Bretzer, a senior vice president of the Chicago Stock Exchange, said the exchanges were considering a suggestion that the first imposition of a circuit breaker occur after a 350-point drop in the Dow Jones industrial average, instead of the current 250-point plunge. After such a fall, the markets would close for 30 minutes.

He said the proposal also called for a rule that if the Dow continued falling and was down 550 points for the day, the markets would again close, this time for one hour. Under current rules, adopted in 1988, when the Dow was far lower than it is now, a 400-point drop would be required to set off the one-hour halt.

The New York Stock Exchange has resisted expanding the circuit breakers, citing evidence that individual investors would be opposed to any change. But the Securities and Exchange Commission has said it wants them expanded. It points out that in percentage terms, the market movement required to set off the current circuit breakers has occurred a number of times. The circuit breakers were established in the aftermath of the Oct. 19, 1987, collapse.

Clinton and Hashimoto Discuss Trade

Compiled by Our Staff From Dispatches

MANILA — President Bill Clinton on Sunday stressed the need to settle U.S. trade disputes with Japan over insurance and aviation that have been bedeviling relations between the two economic powers.

Mr. Clinton told Prime Minister Ryutaro Hashimoto of Japan in a meeting on the fringes of a summit of Asia-Pacific leaders in Manila that the dispute over deregulation of Japan's insurance market was their most important trade problem, a Japanese official told reporters.

But Mr. Clinton also asked for Japan's help in promoting an issue on which Washington and Japan see eye-to-eye, a U.S. plan to cut tariffs on information technology by the turn of the century.

Speaking to reporters after the meeting, Mr. Clinton said Mr. Hashimoto assured him of Japan's desire to settle their trade disputes. Mr. Clinton also said that economic recovery in Japan would help ease problems such as Japan's chronic trade surplus.

"I think insurance is the most important one right now," the Japanese official quoted Mr. Clinton as telling Mr. Hashimoto. Mr. Clinton said it was "important to achieve results" on insurance and to make progress on another thorny dispute over aviation.

Washington has pressed Japan in meetings on the sidelines of Asia-Pacific Economic Cooperation conference to resolve the insurance dispute by Dec. 15.

The dispute stems from U.S. charges that parts of the Japanese insurance market are closed to U.S. firms. The United States is opposed to Japan opening up a niche market for accident and health insurance, in which U.S. firms have a strong presence, before liberalizing the wider market. *(Reuters, Bloomberg)*

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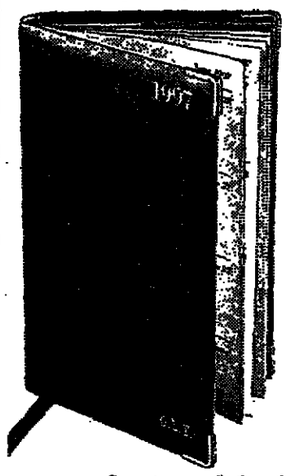
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Consolidated prices for all shares traded during week ended Friday, Nov. 22

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China



Unearthed in China: Two clay masks from the neolithic period and a bronze bird's head from the Shang period.

Behind the Masks, More Enigmas

By Souren Melikian

LONDON — Everything seemed straightforward about Chinese history as we used to think of it, beginning with the ascent of the Shang dynasty some time in the 15th century B.C. and gradually leading to the fusion of the rival states of China into a single empire. The neat construction has now crashed.

In the past two decades, one mysterious culture after another has been coming to light on the vast territory now called China in the course of the most impressive archaeological excavations anywhere in the world.

Seeing the 200 objects or so on view at the British Museum's "Mysteries of Ancient China" exhibition until Jan. 5 comes as a revelation. (The show goes on to Zurich and Copenhagen.) It begins with a hitherto unique human mask of molded earthenware representing the "Yangshao culture" as the archaeologists call it. The broad dating they give this mask, 5,000 to 3,000 B.C., is as good as conceding virtual ignorance.

Is the culture at all Chinese? With its slanting eyes and open lips that seem to convey a mix of awe and surprise, the superb face could belong to any Far Eastern group with Mongoloid features.

Found in 1977 at Beishouling in Shaanxi Province, the mask is considered to bear a connection to some pottery bottles from Gansu Province, but the observation hardly answers any questions. Gansu was not encompassed within the fold of Chinese culture at that early period. For the time being, the identity of those masterly potters remains unknown.

Similar queries spring to mind concerning the pottery credited to the "Majiayao culture." An astonishing jar painted in black on red was dug up in 1982 near Tianshui, again in Gansu. Two small human masks are applied on either side at the top of the jar. The eyes and lips are cut through in the same way as on the Beishouling mask, but any resemblance stops there. The stylization here is reminiscent of the Haniwa figures from prehistoric Japan.

That same year, yet another small earthenware mask, equally self assured in style, was discovered far away in the Nanjing area, in Jiangsu. The laughing eyes, the mouth wide open as if to rant or scream, call to mind the idea of some performance but whether ritual or theatrical, we cannot begin to surmise. Other than the date, "circa 3,000 B.C.," no information is available.

Total mystery surrounds this face which, despite its tendency toward geometricism, appears to betray some non-Chinese features, with well-arched eyebrows that look Middle Eastern. Yet the site is in the heart of China. Could this then be the earliest Chinese representation of a foreigner?

All these riddles are nothing compared with the great jade enigma. In 1986, a series of jade objects to which specialists attach the label "Liangzhu culture" were discovered at Fanshan, in Zhejiang Province. The broad dating put forward is "3,000-2,000 B.C." They include a series of admirable geometrical objects with cylindrical bodies rising slightly above a rectangular casing. Nowadays called *cong*, the precise destination of the type eludes us. The catalogue notes that "it is highly unlikely that their makers or users spoke any language that we would recognize as Chinese."

Yet, looking at the geometrical figures carved in low relief on the sides, or at some jade plaques obviously carved in the same workshops as the cong vessels, one detects an unmistakable relationship to the figures and masks cast 1,000 years later on Shang bronzes. Should these jades be seen as evidence of some non-Chinese component in the mix from which Chinese culture later emerged?

What is established beyond doubt is that the emergence of Shang culture took place in an environment that was far more complex than was hitherto thought.

SOME of the latest finds regarding the admirable Shang bronzes unearthed in 1976 near Anyang in Henan are included in the show. Their presence allows the visitor not only to see masterpieces rarely exhibited before in the West, but also to measure for himself the aesthetic abyss that separates Shang bronzes, with their symbols ensconced in a maze of geometrical stylization, from those of another culture contemporary with the Shang dynasty which were discovered in 1986.

Apart from their common skill at casting bronzes of the highest order, the two cultures could not be more different. The newly discovered culture is represented in particular by large-size figural bronzes excavated at Sanxingdui in Guanghan county, Sichuan Province.

An astonishing life-size statue, 172 centimeters (68 inches) high — 262 centimeters with its pedestal — portrays an enigmatic character in a double-breasted tunic worn over a long cloak. The sharp angular features with exaggerated eyes and lips, are superficially reminiscent of the carved wood totems of some American Indian groups such as those in Brit-

Continued on Page III

The Quest for Political Stability

Party Leaders Face a Series of Crucial Tests in '97

By Richard McGregor

BEIJING — China's defense minister, Chi Haotian, a veteran of the Korean War and decades of political battles at the top of the Communist Party, said recently that he would retire a happy man if he had helped maintain "the stability" of his country.

"If China can carry on the way it is now for another 20 years, a lot of changes will happen and the strength of our country will be much increased," he told *China Talent magazine*.

General Chi was talking about the issue of national unification, but he could have been discussing a range of central government policies, such as its continued support of creaky state industries, increased grain prices for farmers and an anti-crime campaign.

The next year is crucial for the ruling Communist Party, with the momentous return of Hong Kong in July, and the 15th Party Congress a few months later, which will set the seal on the top leadership for the post-Deng Xiaoping era.

According to analysts, the key to understanding the party's preparation for these events lies in the watchwords cited by General Chi — the need to maintain political stability and the party's grip on power, alongside speedy economic growth.

The same rationale also explains the Beijing leadership's harsh suppression of dissidents over the last year, including the trials and lengthy imprisonment of two prominent pro-democracy campaigners, Wei Jingsheng and the former student leader, Wang Dan.

"They are afraid that if Deng dies, any person with experience in anti-government struggle will come to the fore," said Jean Philippe Beja, of the French Center on Contemporary China in Hong Kong.

"This reinforces their sense of insecurity because, otherwise, why would there be no need to crack down on all dissent. Obviously, the situation, although it is not revolutionary, is still unstable."

Mr. Beja says China has already overcome one important hurdle in locking up the citizens who challenge it — the threat of international sanctions.

"They don't have to fear international pressure," he said. There is no debate in the U.S. Congress about their trade status, "so there is no risk."

Certainly, the crackdown on dissidents has been successful. Robin Munro, of Human Rights Watch/Asia in Hong Kong, says that "after seven years of struggling to survive and reassert some measure of influence in the country's political affairs since June 1989, the dissident movement has, in effect, been comprehensively smashed."

The suppression of dissent has run in tandem with the revival of an old party campaign to build a "spiritual civilization," a program of ideological and moral education first used in the early 1980s.

The campaign has been led from the top by President Jiang Zemin, who has used it to urge writers, artists and journalists to espouse the virtues of selflessness and to criticize materialism.

Once decried as a stop-gap leader, Mr. Jiang has gradually built a formidable power base since taking over as general secretary of the Communist Party after the 1989 crackdown.

As party secretary, president and head of the Central Military Commission, Mr. Jiang has now amassed more titles than even Mao Zedong.

Beijing-based diplomats say that Mr. Jiang has also floated a proposal to have himself appointed chairman of the Communist Party next year, reviving a title and position not seen since Mr. Mao's death just over 20 years ago.

A proposal discussed during the leaders' annual summer retreat this year at the seaside town of Beidaihe, and circulated widely in diplomatic and business circles in Beijing, puts "Chairman" Jiang at the head of a collective leadership ticket, with two deputies, Li Peng and Qiao Shi.

This unity ticket has the virtue of finding a job for Mr. Li, whose term as prime minister finishes with the party congress in September, while balancing his presence with Mr. Qiao, the mildly reforming chairman and chief booster of China's parliament, the National People's Congress.

The ailing paramount leader, Deng Xiaoping, who officials will only say is healthy "for a man of his age," is nowhere to be found in this equation, and his legacy of fast economic growth is already under attack.

Mr. Deng's high-speed growth policies are blamed for a myriad of destabilizing phenomena, from the growing gap between the rich and poor and the millions of rural migrant laborers pouring into the cities for work, to uppity provinces that refuse to do Beijing's bidding, and even for a rising crime rate.

One of Mr. Deng's sons, Deng Pufang, was reported recently to have criticized senior leaders in a speech in Beijing for "wholly negating" Mr. Deng's line, and complained that the 1989 Tiananmen crackdown had been used to sully his father's standing.

But despite efforts to rein in the impact of Mr. Deng's economic policies, especially the free-wheeling coastal and southern provinces, economic growth remains a high priority for the leadership.

The government says that the need to create a buoyant atmosphere for the return of Hong Kong and the party congress will result in a relaxation of the tight credit policies used to bring down inflation since 1993.

"In much the same way as Western political leaders tend to reflate the economy ahead of an election, China's leaders want to spread cheer and engineer politically popular growth" ahead of the party congress and the handover, said Pauline Loong, the chief China analyst with Jardine Fleming Securities in Hong Kong, who predicts growth could be as high as 10.5 percent this year.

INSIDE

The auto industry is still having trouble getting into high gear. Page III.

The gap grows between the poor interior and the coastal provinces. Page V.

China's expansionist claims unsettle its neighbors in Asia. Page VII.

Hong Kong people are putting on a brave face over the handover. Page VIII.

Rate Cuts Revive Ailing Stock Markets

By Kevin Murphy

SHANGHAI — Only a few months ago, China's domestic stock markets were languishing. Poor performance and low volume in the country's two stock exchanges combined with an apparent policy-making logjam in Beijing left investors and brokers doubtful of the markets' future.

A comprehensive national securities law has yet to emerge from Beijing, and a host of complex issues remain to be solved before China's stock markets can effectively channel growing national savings and foreign capital into the myriad investments needed across the country.

But a remarkable rally is under way nonetheless, driven by signs that China is coming out of its longest economic slowdown since it embraced the market economy and indications that development of capital markets is back in vogue.

China's leadership no longer appears to hold major reservations about the need to entrust capital markets with the all-important role of allocating financial resources based on market demand rather than central diktat.

In fact, financial authorities believe the main issues are now technical. Debate is not about ideological issues but more about what new measures can streamline a hodgepodge of regulations and practices that were established in the early, ad hoc days of China's self-described stock market "experiment."

And naturally, in a country where the central planning instinct remains strong and where huge rival bureaucracies exist, there is an ongoing battle about who will oversee them all.

"The past five or six years can be considered as the preparation stage for our stock markets," said Yang Xiang Hai, president of the Shanghai Stock Exchange. "But having completed this stage, we are now looking forward to much more rapid development."

The Shanghai domestic stock index is up 74 percent since the start of the year

A remarkable rally is under way driven by signs that China is coming out of a long economic slowdown.

while its rival in Shenzhen, just across the border from Hong Kong, has risen a staggering 265 percent over the same time.

Both began their surge in mid-April when it became clear that monetary authorities were about to lower interest rates for the first time in about four years.

Volume is surging in Shanghai's locals-only market as investors return in droves, and a host of new companies has been listed on the exchange. In 1995, the Shanghai Stock Exchange estimated that there were about 7 million individual investors playing the market. By its latest count, more than 10 million individual Chinese investors now own stock.

At the end of 1995, 188 companies were listed on the Shanghai exchange. By the end of this year another 100 companies will have sold new shares to investors. The exchange's new target is 500 companies by 2000, a mighty expansion from the original handful first listed in 1991.

"If we take the total market capitalization of Shanghai and Shenzhen today, about 900 billion renminbi, it equals only about 15 percent of China's gross domestic product," said Mr. Yang. "This figure is quite low compared even with other developing countries, so you can see we have a long way to go."

At the beginning of this year such expansion hardly seemed possible. Disillusioned with the stock market, Chinese savers kept their money in local bank accounts, where prevailing interest rates appeared a safer bet.

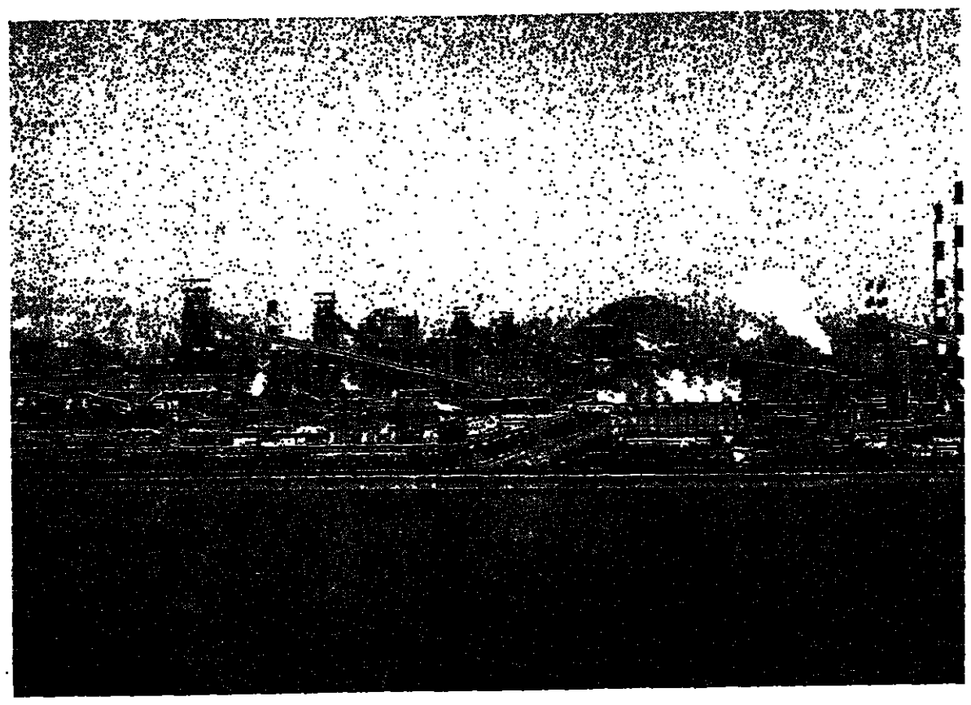
At the same time, it appeared that Beijing's senior leadership remained nervous about ceding too much influence over the economy to the stock and bond markets.

China has relied primarily on its state-owned banking system to finance the country's development and to allocate credit to the sectors deemed national priorities by planners in Beijing.

But a recognition that the banks, which have many problems of their own, cannot do the job alone has breathed new life into the capital mar-

Continued on Page V

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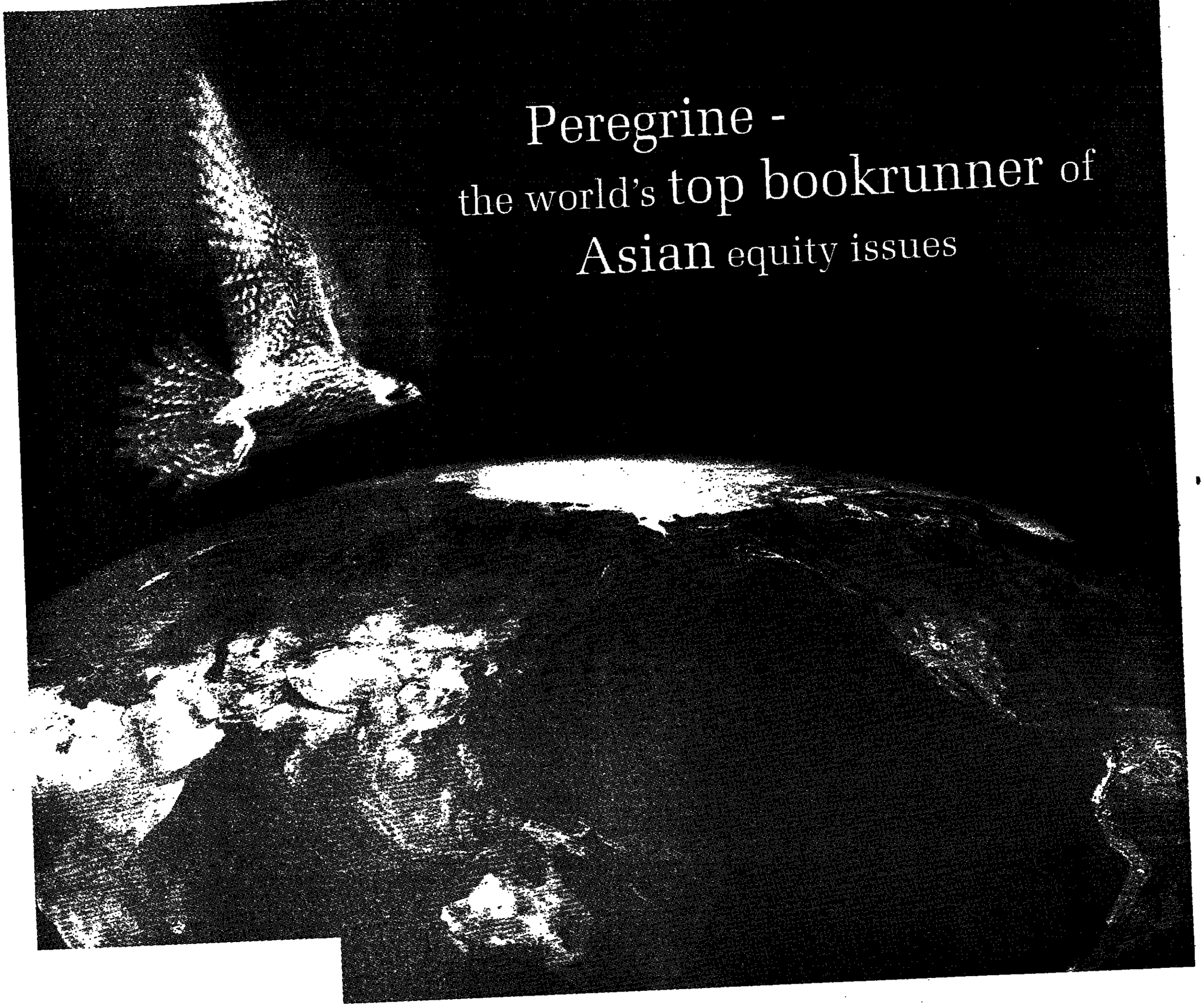
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Agence France-Presse



Photo by Jenni Meili Lau

China is trying to alleviate a transportation crisis. At left, the first train on new Beijing-Kowloon line arriving in Beijing on Sept. 1; at right, a taxi in Hong Kong, where taxis comprise a large share of China's auto market.

Efforts to Jump-Start Slumping Auto Sales Appear to Have Stalled

By Jenni Meili Lau

HONG KONG — In 1956, when a spanking new Jeifang "Liberation" truck rolled off the assembly line at the First Automobile Works factory in Changchun city, China's motor industry was born. Forty years and millions of vehicles later, the sector is still experiencing growing pains.

In the first half of this year, slumping auto sales led manufacturers to stockpile some 116,000 cars, or a number roughly equal to a third of total production in 1995. Retailers, in a vain attempt to jump-start sales, have slashed prices by 15 percent or more since last year.

Sputtering sales led Volkswagen's fledgling joint venture with First Automobile Works in Changchun to reduce its projected production quota for this year from 50,000 Jettas to 24,000.

"We are not making money there," said Andreas Meurer, a spokesman for Volkswagen Asia-Pacific. "But nobody expected this factory to profit this year, especially with the market not expanding as quickly as expected."

The German car manufacturer is not panicking over its losses largely because its existing joint venture with Shanghai Automotive Industry Corp., the country's biggest maker of passenger cars, has proven relatively immune to the ailing market conditions. It expects to sell more than 200,000 Santana models this year, grabbing more than 50 percent of the Chinese market.

"Right now our Santana factory is cannibalizing our Changchun joint venture," said Mr. Meurer. "With the slowdown, smaller companies — with smaller capacities and sales networks — are the ones having problems."

Anemic sales are due to low purchasing power, a lack of auto loans and austerity measures put in place by the government to control inflation.

In addition, official restrictions on auto purchases by government agencies and work units, which normally account for over 90 percent of all vehicles sold, are hindering growth. The restrictions are designed to curb corruption and freewheeling spending.

While many in the industry are pinning hopes for a sales boom on increasingly well-off urban Chinese, the majority of city dwellers still cannot afford a car. Last year the average urbanite earned about $465 a year, while a four-seat passenger car costs approximately 25 times that amount.

In addition, car owners have to pay a burdensome series of taxes and fees, sometimes amounting to more than a third of the vehicle's total price.

The sagging market received a temporary boost recently due to some $19 million in auto loans approved since July by the state-run China Construction Bank, which led to the sale of more than 1,000 autos. To the dismay of many aspiring car owners, however, the central government ordered the bank to cancel the program just four months after it was introduced and heralded as a much needed "blood transfusion" by the Ministry of Machine Building Industry.

ALTHOUGH aware that the industry's growth hinges on the development of a workable financing system, Chinese officials had second thoughts about the consequences of the program. A spate of auto loans would likely ignite inflation, and repayments could prove problematic. "If a private car owner has an accident — the car is destroyed and the person who got the loan dies — who is going to pay the bank then? China's legal system is not yet complete enough to answer these questions," said Mr. Meurer.

Smugglers are also cutting into domestic sales. General Motors Asia estimates that there are some 40,000 "gray-market" GM vehicles currently plying the streets of China. Officials are trying to deter illegal imports, but smuggling rackets continue to thrive largely because of high import duties that can cost as much as the vehicle itself.

Feudal politics further complicate matters. Several provinces enforce protectionist policies that discriminate against the use of cars made in other regions. Shanghai officials, for instance, forbid sales of Tianjin-made cars and taxis, while Tianjin restricts the use of mini-vans made in Xian and Harbin. In August, the State Council ordered that all such regulations be rescinded immediately, but provincial officials have yet to comply.

In some respects, the industry's slump is a blessing. The common sight of gridlocked vehicles belching smoke on the streets of China's major cities is a constant reminder that the country already has more cars than it can handle.

Nonetheless, the Ministry of Machine Building Industry, which is determined to keep two million car workers employed, continues to push for expansion. The targeted production quota of vehicles for the year 2000 stands at 1.2 million units or three times its current level.

Foreign carmakers also remain bullish. This September, Daimler-Benz AG signed a $60.1 million joint venture agreement with Jiangsu Yaxing Motor Coach Group Ltd. to produce 7,000 buses and 5,000 chassis annually. After more than a year of negotiations, the Japanese automaker Suzuki Motor Corp. has agreed to buy a stake in the Changan Automobile Co.

General Motors Corp., meanwhile, is on the verge of finalizing a $1 billion joint venture agreement with the Shanghai Automotive Industry Corp.

Production at the plant is expected to begin in the fourth quarter of 1998 with a projected annual capacity of 100,000 automobiles. The proposed vehicle will include such sophisticated features as dual-side airbags, emission levels meeting the most stringent North American and European requirements, and a high-tech suspension system.

Rudolph Schlais Jr., president of GM China, said the state-of-the-art car will represent "the next evolution" in China's auto industry.

"China is a world leader in many technologies — materials, mathematics, computer science — but they haven't been able to put these into the application of vehicles because basically they are producing old vehicles," he said. "When vehicles, such as the one proposed in Shanghai, come into play, those types of technologies will be needed and utilized."

Convinced that technology exchange is key to its long-term strategy plan in China, GM intends to set up a technology development center in Shanghai as part of the proposed joint venture. In addition, the company plans to spend some $40 million on exchanging technology in China over the coming years.

SIMILARLY, Toyota Motors Corp. has set up a technical center in Tianjin and has for years been licensing technology to China through its affiliated company Daihatsu.

"We want the Chinese government to know that we are very sincere about developing the auto industry in a profitable and sustainable way," said Tetsuo Kitagawa, deputy general manager of Toyota Motor. "So we are ready to offer as many technologies as possible, including environmentally friendly electric vehicles and intelligent transportation systems."

Having gained the goodwill of Chinese officials, in part by willingly transferring technology, Toyota recently entered into its first joint venture in China, with Tianjin Automotive Industry Corp. to manufacture 150,000 engines annually.

JENNI MEILI LAU is a journalist based in Hong Kong.

Looking for a Way Around Gridlock

GUANGDONG, China — Traffic refuses to budge along the two-lane freeway connecting Lianzhou and Lingbei in northern Guangdong Province. A bizarre array of vehicles, including farm tractors, military jeeps, jam-packed passenger buses and coal trucks, forms a motionless caravan stretching toward the horizon.

"In China there are too many cars and not enough roads," complains Cheng Wai Man, a local truck driver.

Gridlock is a daily occurrence in China, not only on the pothole-strewn dirt roads linking far-reaching rural areas but also on the asphalt streets of major cities such as Beijing and Shanghai. A surge in freight and passenger traffic fueled by China's burgeoning economy has pushed the country's transportation system to the brink.

Aware that the chronic situation is hampering economic growth, authorities have made the development of infrastructural projects a priority. By 2000, China aims to add about 10,000 kilometers (6,200 miles) of rail tracks and 170,000 kilometers of roads. Capital needed to fulfill such large ambitions, however, is estimated at $54 billion and the central government's fund equals little more than half of that.

Eager to make up the difference, Beijing is vying to attract overseas investors. According to the Ninth Five-Year Plan, covering 1996-2000, foreign investment in the transport sector, previously prohibited, is now officially encouraged. Increasing numbers of provincial leaders are raising funds by listing shares of infrastructure works on overseas stock exchanges. In addition, the government has rubber-stamped numerous direct investment inducements, including tax breaks, relaxed regulations and rights to develop land along transport routes in which outside parties have invested.

Prosperous Guangdong, situated on the Pearl River Delta, is proving a favorite among Hong Kong investors, including Hopewell Holdings, New World Infrastructure and Cheung Kong Infrastructure, who were among the first foreign companies to get into the Chinese market.

Hopewell's director, Alan C.H. Chan, said: "In the late '70s when the open-door policy was first adopted, we began negotiating with China about investing in power stations, highways and hotels. We've developed very good *guanxi* [connections] with various levels of the government since then."

Most recently, Hopewell formed a joint venture with municipal leaders to develop the Guangzhou-Shenzhen-Zhuhai Superhighway and to date has channeled about $600 million into Phase I of the project: a 123-kilometer highway connecting Guangzhou to Shenzhen, which opened in 1994 and now services nearly 62,000 vehicles a day.

According to the BOT (Build Operate Transfer) agreement, the highway will be owned and managed by the joint venture company for 30 years, until full ownership is transferred to the Chinese side. In the meantime, Hopewell is collecting on its investment by taking in a percentage of tolls and developing real estate along the highway.

While Guangdong and other economically booming southeastern provinces are able to lure outside investors, less financially promising regions in central and northwestern China are largely dependent on subsidies from international monetary institutions.

Xinjiang, a resource-rich but cash-poor autonomous region located in the northwest, recently received a $300-million loan from the World Bank for the development of a 270-kilometer highway, connecting its capital city of Urumqi to the town of Kuytun. Designed to alleviate bottlenecks while strengthening the area's economic ties to central Asia, the highway is due for completion in 2000. Presently the vast region, comprising one-sixth of China's total land area, is serviced by only one main railroad and two main highways.

The Xinjiang Highway project is the latest in a series of World Bank loans totaling around $2.6 billion, all geared toward improving China's overburdened National Highway Trunk System. According to China's 30-year development plan, about 35,000 kilometers of arterial highways will be added to the trunk system.

China's recently completed Beijing-Kowloon Railway, which links the capital city to Hong Kong, is already serving to narrow geographic and economic gaps. The 2,550-kilometer line sweeps through a beltway of underdeveloped regions that is now being hailed as "a potential major economic corridor" and "an appealing spot for overseas investment," the China Daily says.

Beijing threw its weight, including about $4.7 billion (40 billion yuan), behind the project, which it hopes will serve as a shining example for future infrastructure works. Billed as "China's dream of the century," it opened in September, three months ahead of schedule.

Jenni Meili Lau

More Riddles Found Behind the Masks

Continued from Page I

ish Columbia. Fifty or so other bronze heads with the same grimacing, heavily expressionistic, faces were recovered from pits which also yielded jades and, curiously, elephant tusks.

Indeed, the gesture of the arms and the disproportionately large hands of the standing character suggest that it originally clutched such a tusk. Some bronze masks of human inspiration with enormous protruding eyeballs are stranger still. Looking like ghoulish apparitions out of a horror film, they are surprisingly large — one in the show is 77 centimeters wide. Again, one is vaguely reminded of some carvings from the South Seas.

Yet, a look at the band of formal ornament on the low flat sides of the platform supporting the standing figure leaves little doubt that this culture had direct contacts with the Shang kingdom. One of its bronze "animal masks" is clearly related to the Shang *taotie* masks cast on bronzes. Not least, several bronze vessels from Sanxingdui are designed and decorated in the Shang taste, however original their aesthetic handling may be.

Whatever contacts they had, the two cultures, nevertheless, remained far apart. The vessels in the Shang taste were found to contain cowrie shells, not wine traces as would have been the case in Shang vessels of that type. This suggests that they had a different meaning altogether.

In the catalogue, Zhao Dianzeng, a Chinese archaeologist, reproduces photographs of the two pits from which the objects were recovered.

In one of these, showing the middle stratum of pit 2, the bronze heads, some broken, and the fragments of vessels are haphazardly thrown together as if some furious destruction had taken place.

The remains of charred animal bones led scholars to call these places "sacrificial pits." Could not these be evidence of some organized devastation during an invasion?

A look at the map makes the latter interpretation one shade more tempting. The site, Sanxingdui, technically in Sichuan, lies on the doorstep of Gansu. In the 12th century B.C., this area was not Chinese either, linguistically or culturally. For all we know, we may have come across the remains of a highly advanced hitherto unknown civilization.

A rival of the Shang dynasty, it would have had contacts with it at times and a conflictual relationship at other times.

How it vanished and why may be revealed in time, as the Chinese archaeologists pursue their exemplary campaigns that have allowed us to read new chapters of mankind's history.

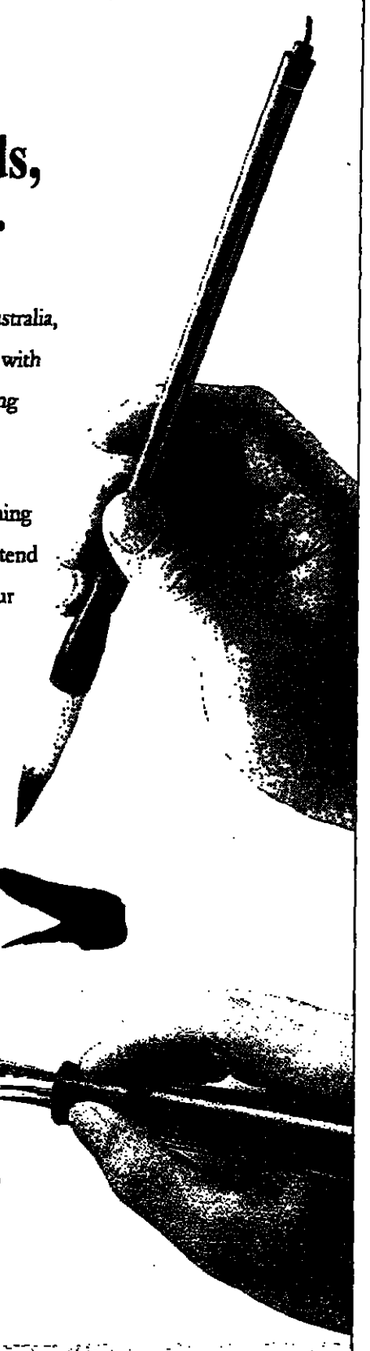
SOUREN MELIKIAN is art editor of the International Herald Tribune.

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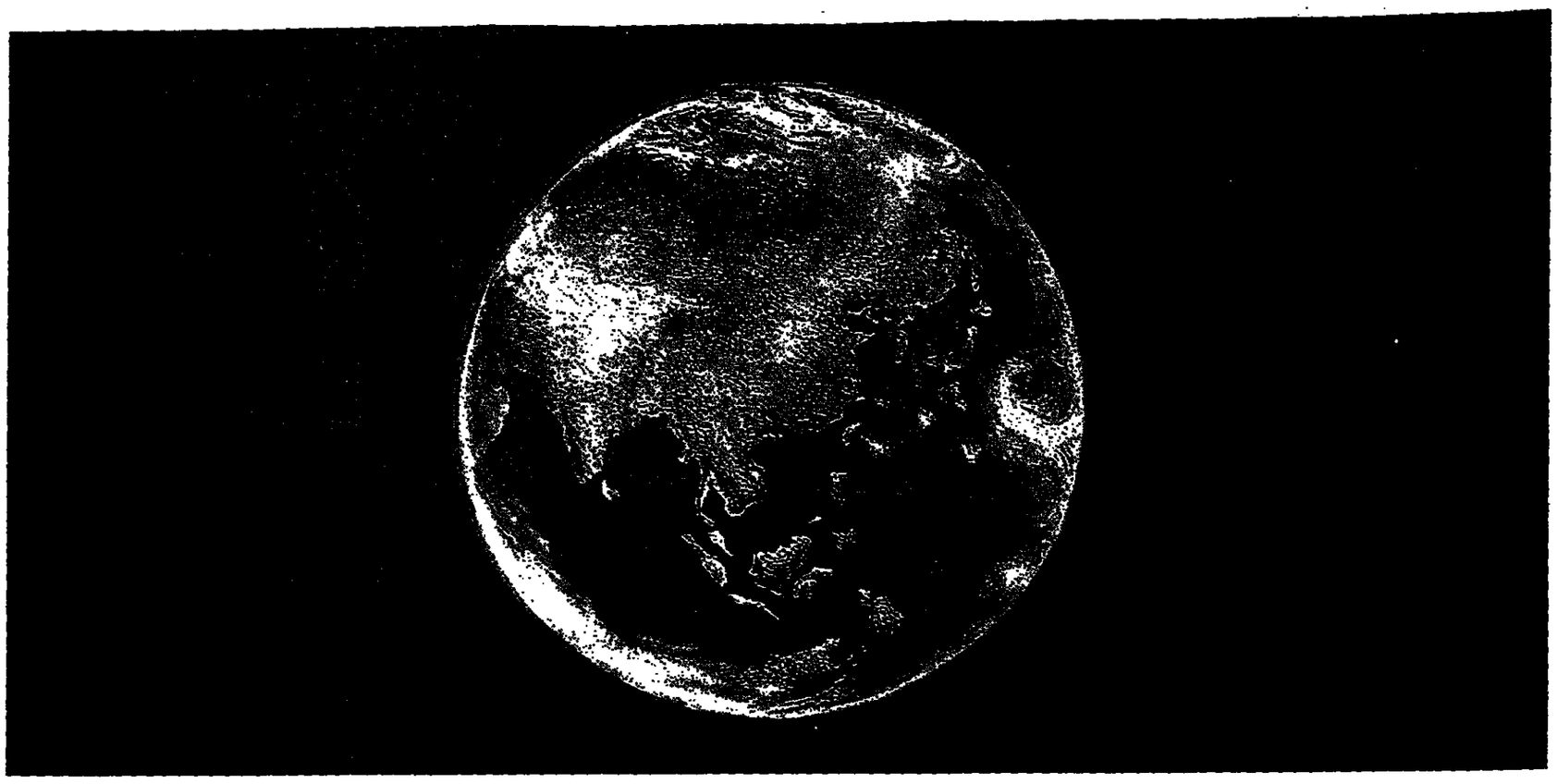
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As Wealth Gap Widens, Can Poorer Regions of Interior Catch Up?

By Richard Tomlinson

YANAN, China — Waiting to buy her little grandson a present, 70-year-old Bai Aiqing reflected on the good life in her home town of Yanan. "Ten years ago, you didn't have any of this," she said, gesturing with a flourish at the pens, electronic calculators and digital watches on display in the central department store. "Right now, if you have the money, you can buy anything." At which point her grandson, eager for his present, urged Mrs. Bai to prove her economic theory.

Most locals would agree that conditions have improved in Yanan, a city of 350,000 in northwest China's Shaanxi Province. Before 1949, Yanan's remote location in the heart of Shaanxi's yellow earth country made it an ideal military base for the Chinese Communists, during their protracted struggle against the Nationalists and the Japanese.

These days, the city is no longer isolated from the outside world. Farmers from the surrounding villages still come into the town on their tractors, but in recent years many more cars have appeared — so many that the police have introduced traffic controls. New shops are opening almost every day, including one selling imported Italian shoes for about $70 a pair.

After more than a decade of market reform, however, the question for Yanan is whether life can get any better. More specifically, it is whether the area can attract the outside investment that is essential for further economic growth. Writ large, the same question preoccupies central government planners as they chart the widening wealth gap between the booming coastal provinces and China's more backward interior.

By every measure, this gap is increasing. According to the State Information Center, the economic growth rate for 1995 in central China, including Shaanxi, was 9.6 percent — significantly higher than the impoverished far west (8 percent), but lower than the thriving east (11.6 percent). The central region's contribution to national GDP was only 27.12 percent, compared with 58.84 percent for the coastal provinces, and a mere 14.04 percent for China's barren and sparsely populated western hinterland.



Hoagni

Although living conditions have improved in Yanan, it is unclear whether they can get better for city's residents.

Presenting these figures, Liang Youcai of the center's forecasting department warned that China's interior would fall even further behind in the next few years.

Superficially, Yanan city and the surrounding district, with a total population of 1.89 million, appear better placed to lure investors than some inland areas. Yanan's fame as a revolutionary center brings thousands of Chinese tourists to the city each year.

A new airport was opened in 1982, with regular flights to the provincial capital of Xian, about 150 miles (240 kilometers) to the south. In 1992, the railway line between Xian and Yanan was also completed. With the help of a 2.7 billion yuan ($324 million) loan from the Asian Development Bank, the line is currently being extended to Baotou in Inner Mongolia. A further selling point are the energy reserves in the Yanan area — an estimated 1.3 billion tons of oil and 7.1 billion tons of coal.

Why, then, does Yanan give the impression of having reached an economic impasse? In the countryside, no one disputes that conditions are still bleak: according to the district government, average annual per capita income is just 912 yuan. In Yanan's urban areas, by contrast, the sense of relative well-being on the street is confirmed by the official figures: at around 4,000 yuan, annual per capita income has quadrupled since 1985.

YET despite the Italian shoes, the Jackie Chan movies at the cinema, Yanan has so far failed to attract any significant foreign investment.

One joint venture was set up to produce cigarette lighters, but the promised money from Hong Kong never materialized.

Nor is there much evidence of inward investment from other parts of China, apart from some shopkeepers and traders who have drifted to Yanan from the southern and coastal provinces.

One local had her own explanation for why Yanan has missed the investment bandwagon. "Most common people in Yanan have no ambitions for the future," said An Xiaohong, a 21-year-old graduate in marketing studies from the district university. "They lack the concept of business, and are just happy if life is comfortable for themselves."

Such a man was Zhuo Youcai, general secretary of the district's administrative department. Mr. Zhuo so lacked the concept of business that he could not even recall Yanan's economic growth rate for 1995. Those figures he did produce from his briefing document generally failed to tally with information supplied by his colleagues.

In the end, the most reliable data Mr. Zhuo was able to offer concerned his domestic bathing arrangements. In his department, he reported, there was only cold water before 1993; since then, limited hot water has been available on Wednesdays and Saturdays — one index, at least, of Yanan's rising prosperity.

Another problem is Yanan's distance from any major market, despite the improved transport network. And while they wait for the manna which may never come, the local population must cope as best it can.

Officially, the urban unemployment rate is close to the national average (just under 4 percent); but just as the national figure is a gross underestimate, so in Yanan, where the government admits that 40 percent of state enterprises are "loss-making," the true rate is far higher.

Only the local oil bureau, whose trucks thunder up and down the roads around Yanan, gives any sign of being a viable large-scale business, with a modern compound for its workers on the edge of town.

Those who do not work for the oil industry, it seems, resort to moonlighting — a term which hardly describes the importance of secondary jobs to the local economy.

Feng Lichun, for example, spends 12 hours a week teaching politics at a Yanan city middle school, for which she is paid a monthly salary of 320 yuan. "I teach ideas, morality, and respect for property," she said. The rest of the time she devotes to the children's clothes stall she runs with her sister. Ms. Feng would not reveal how much income she derived from this private business, but the monthly sales turnover is about four times her teacher's wage.

Ms. Feng held to the general view that Yanan people had become more affluent. "In the past, people didn't care how they looked," she said. "Now they're very choosy about their clothes."

RICHARD TOMLINSON is a journalist based in Beijing.

A Much Criticized Legal System Takes Tentative Steps Toward Reform

BEIJING — Zhao Baorui, a 45-year-old Beijing fruit vendor, is not a man who puts much faith in the law. He used to work for a construction firm, but he was never paid on time. Had he ever though of suing his former employer? "I can only afford food and lodging," he explained wearily. "I have no money to take him to court."

As a migrant laborer, originally from Henan Province, Mr. Zhao's legal rights were in any case dubious. In his previous job, he almost certainly had no employment contract, nor was it likely that he had the necessary residence permit to live in Beijing. Yet if, legally speaking, Mr. Zhao was a marginal person, his views about the law were thoroughly mainstream.

Most ordinary Chinese who are victims of injustice avoid the courts, and not simply because of the cost. "Chinese people don't believe the court will deal with them fairly," said one Beijing lawyer, who did not wish to be named. "They think the judge will be influenced if the defendant has connections."

In such a context, it might seem perverse to argue that China's legal system is slowly improving. Yet a case for the defense can be made, beginning with the very existence of a legal profession.

From 1959 to 1979, there were no lawyers in China, as Mao Zedong sought to rid the country of all "reactionary" elements. When the Ministry of Justice was revived in 1979, there were barely 9,000 qualified attorneys who had survived the Cultural Revolution. Today, there are more than 10 times that number — and few more successful than Xiaoji (Jim) Wu, of the Junhe Law Office in Beijing.

Mr. Wu appears the epitome of the bourgeois attorney once demonized by Maoist scribes. A former lawyer at China's Foreign Trade Ministry, he spent three years, from 1985 to 1988, studying law in the United States. In 1989, following his return to Beijing, Mr. Wu and four associates were given permission to establish one of the country's earliest "private partnership" law firms.

Six years later, the practice is thriving, with branches in Hainan Province, Shanghai and New York — the first mainland Chinese office in the United States, Mr. Wu proudly notes. With lawyerly discretion, Mr. Wu was reluctant to discuss the fees he commands, except to say that they were "internationally competitive." So is Junhe's corporate client list, which includes such multinationals in China as Motorola, IBM, and Mitsubishi.

Wearing his other hat as president of the Beijing Lawyer's Association, Mr. Wu outlined some of the improvements in his profession since reform. They begin with the Beijing Lawyer's Association, which like its parent body, the All China Lawyer's Association, is no longer under the direct control of the Ministry of Justice. Instead, since last year, the ministry has merely exercised "supervision and guidance," allowing the Beijing Lawyer's Association's 3,000 members to run their own affairs.

Asked whether this amounted to genuine professional independence, Mr. Wu replied: "My personal experience is that without the ministry's support, our association would be in a very hard position. If we were really on our own, our influence would be much less than before."

With the ministry's backing, the Beijing Lawyer's Association is doing its best to raise the caliber of local lawyers. Mr. Wu was just back from a legal seminar organized by the association — part of the 40 hours "continuing education" that Beijing attorneys must complete each year in order to have their license renewed. The association is also keen to raise the public's legal awareness, sponsoring several television and radio programs to advise citizens about their rights.

Such initiatives are part of the central government's drive for China to become — in the words of Justice Minister Xiao Yang — a state "governed by law" before the end of the century.

Two laws passed this year by the National People's Congress have been hailed in the state media as major milestones along this journey. The first gives suspects the right to consult a lawyer after police interrogation, and the second limits the period a suspect can be detained without charge to 30 days. Even the international watchdog group, Human Rights in China, normally scathing about China's legal system, described the new laws as "an encouraging step in the right direction."

The question is whether such reforms can bridge the gulf between theory and practice in China's legal system. In theory, the steady accretion of laws is laying the basis for a less arbitrary, better regulated society. In practice, China's police and judiciary, which answer to the Communist Party, retain sweeping powers of arrest and detention, and routinely ignore those notional rights that are enshrined in law.

IN the West, attention has focused on the persecution of dissidents, many of whom have been imprisoned without charge for up to three years under "administrative detention" edicts.

These "political" cases, however, mean very little to most Chinese people, who have virtually no information about the country's beleaguered dissident movement. Their grievances deal with more mundane issues, such as the sheer difficulty of finding lawyers to take on routine civil or criminal work.

"Such cases are not profitable," said Chen Jianlong, director of the state-owned C & C Law Office in Beijing, which like Junhe has an impressive list of big name corporate clients.

Mr. Chen's "preferential" rate for corporate work is $150 per hour. By contrast, the officially stipulated rate for a legal opinion in a simple civil case is about 60 cents, rising to around $1.50 in a commercial property dispute.

As for criminal work, Mr. Chen said it was hard to earn more than "a few hundred renminbi" (less than $25) for a case that went to trial. The result is that cases are generally assigned to court-appointed lawyers, most of whom have little financial incentive to do a professional job for their client. Meanwhile, plaintiffs are required to fork out sizable sums in registration and administrative fees to the court authorities, even before their case proceeds.

"It's all aimed at earning money," said Shen Qingxiang, 60, a retired coal official, who is locked in dispute with his younger brother about property left by their parents.

"In the past, one never paid so much to settle a case," he complained. "You just went to the government, and they would solve everything for you, and you only needed 5 or 6 renminbi at most. Right now, it's like the old saying: it doesn't matter whether you're right or wrong, just bring your money to court."

People may deplore the way legal cases are decided in favor of "*da ren wu*" (big shots), but on China's increasingly crime-ridden streets, there is little regard for the rights of defendants.

"I think only a very small number of those who are arrested are innocent," said one university-educated Beijing woman. Like most Chinese, she approved of Strike Hard, the nationwide crackdown on crime which began this year and has led to mass arrests, summary trials and hundreds of executions.

Only in her misgivings about police brutality was she unusual. There was a danger, she added, of investigators "hurrying too much and punishing people more seriously than they deserve."

Richard Tomlinson

Rate Cuts Revive Ailing Stock Markets

Continued from Page 1

kets. "I think there is now broad agreement that we have to enlarge the extent of direct capitalization of the Chinese economy," said Fan Fochun, director of continuous compliance at the China Securities Regulatory Commission in Beijing.

"Companies have until now largely relied on the indirect financing from banks," Mr. Fan said. "But it is more efficient if they have direct access to money from investors in the stock markets."

To improve the overall efficiency of the country's stock markets, the China Securities Regulatory Commission has launched a fairly firm crackdown on trading malpractice on the exchanges while at the same time steering listed companies toward greater transparency and improved corporate governance to protect investors.

The commission has attempted to unify national regulations concerning the stock markets, while devolving more policing duties to the individual exchanges. It has also tightened rules for proprietary trading by individual brokerages and come down heavily on firms which breach disclosure regulations.

For example, in early October Shanghai-listed Bohai Group Co., a holding company with interests in power generation, hotels and commercial property, was fined 500,000 yuan ($60,000) for making false declarations in its first-half earnings report.

"By better monitoring and control of the market, we will reinforce our existing regulation," said Mr. Fan. "And we are making it clear that we will punish those who violate the regulations severely."

While stricter market supervision bodes well for the markets' overall development, two national interest rate cuts since May have probably done more to fire the markets.

By shaving 2.5 percentage points off the deposit rates paid to savers, the central People's Bank of China has undoubtedly rescued the local stock markets.

Statistics from Shanghai illustrate the rapid shift in capital. According to the Shanghai Stock Exchange, local residents' bank savings grew by 6.9 billion yuan in the first quarter of 1996, by 3 billion yuan in the second quarter and by only 2 billion yuan in the third quarter. Exchange officials believe the funds are pouring into the stock market rather than savings accounts.

The picture is less bright, however, for Chinese listed stocks which are open to foreign investment.

The so-called B-share market is plagued by low volume and general skepticism among foreign investors. Shanghai's B share index has slipped 5 percent so far this year but Shenzhen's B share index is ahead by 42 percent, mostly because domestic investors have sidestepped rules against the purchase of stocks reserved for foreigners.

Eventually, the domestic and B share markets will be unified, according to most officials, but this is largely predicated on Beijing's willingness to open its market fully to foreign capital flows.

The first step in the process is full convertibility of the Chinese currency, but the more important consideration, ideologically, is granting international market forces still more influence in the local economy.

"The merger of the A and B shares will be finally achieved," said Mr. Yang. "But I don't think it is coming soon."

However, the government authorities are believed to be close to announcing the approval of one, or perhaps two, new investment funds jointly managed by local and foreign groups.

For the first time, foreign investors will be able to gain exposure to the A share market through these new funds. They will be specifically designed to allow a channel for foreign capital flows into the massive domestic markets on a limited basis.

KEVIN MURPHY writes from Hong Kong for the International Herald Tribune.

Labor Unrest Is Taking Center Stage



Goh Chai Hin/Agence France-Presse

Workers at a state-run factory in Beijing. A third of China's ailing state-owned sector is losing money.

By Sophie Roell

BEIJING — Although living standards in China are generally rising, most people continue to live and work in harsh conditions. Strikes and worker unrest are reported to be widespread and increasing to such an extent that Chinese government concern over the social instability such poverty can generate has taken center stage.

According to Jiyuan Wang, deputy director of the International Labor Organization in Beijing, the Chinese government is particularly worried about the so-called "floating labor force," that is, unemployed rural workers who have come to the city looking for work. Although no exact figures are available, the government estimates that there are about 40 million of these migrant workers.

In addition, the 20 million or so employees in the state-owned sector who are regarded as "surplus labor" face an uncertain fate. They will have to be laid off if state-owned enterprises are to operate efficiently — one of the main reasons the government continues to delay reform of the state sector.

Reducing poverty and developing less affluent parts of the country has become a popular theme in speeches, with President Jiang Zemin on occasion warning that the elimination of poverty is not just an "economic issue," but also one "affecting social stability."

According to one estimate, around 1,000 strikes were held in Beijing last year. Across the country, there were more than 12,000 protests and petitions to the central government from workers and farmers. The northeast, where China traditionally located its heavy industrial complexes and now one of the most depressed areas of the country, has been particularly badly hit. According to one report, small-scale demonstrations by enterprise workers and miners have become routine.

Such dissatisfaction is hardly surprising. China's ailing state-owned sector — a third of enterprises is losing money — mean many workers receive their often already inadequate wages irregularly.

Others have lost their jobs altogether. While China's official urban unemployment rate is less than 3 percent, this does not include workers whose factories have closed and who are effectively jobless but continue to receive a token payment. Economists estimate that when these people are included the real unemployment rate is closer to 15 percent.

Those on fixed incomes, such as pensioners who have seen their wages ravaged by inflation, have also vented their frustrations. Last year, in the central Chinese city of Wuhan, a rise in the entrance fee to a municipal park sparked a three-hour protest against inflation by more than 1,000 elderly people.

Strikes are illegal in China, except if they are organized through the government-controlled All-China Federation of Trade Unions. The government does not allow independent unions and has not been tolerant of labor activism. Han Dongfang, probably the country's most famous labor unionist, remains exiled in Hong Kong.

However, some government-approved channels for labor complaints have been opened. A labor law, which came into effect at the beginning of last year and covers a wide range of issues from workers' safety to maximum working hours has contributed to a rapid rise in worker-initiated litigation.

According to Mr. Wang of the ILO, this increase has been sparked by workers' "greater sense of their rights" as a result of the law.

Official statistics indicate that in 1995, some labor disputes were handled by the courts. The first half of 1996 has already seen about 18,000 cases brought to court by workers. In the past, courts dealt with only about 10,000 cases annually.

The government has also experimented with other measures which will, in principle, help workers stand up for their rights against their employers.

For example, in conjunction with the All-China Federation of Trade Unions, the government has carried out a pilot program for introducing collective bargaining in China. By the end of 1996, the government expects some 15,000 enterprises to have accepted a collective bargaining system.

All enterprises are also required to have signed contracts with their workers by the end of the year. A contract labor system will, in principle, help both employers and employees by outlining their mutual rights and responsibilities.

It will take some time before the labor law and some of the other measures being advertised in the official media as "protecting workers' rights" lead to tangible improvements for the majority of China's laboring population.

SOPHIE ROELL is a journalist based in Beijing.

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Uneasy Partnerships: Beijing's Difficult Ties With U.S. and Japan

For Washington, Ideological Goals Define Strategy

By Philip Bowring

HONG KONG — It is often said that China's policy toward the United States is more stable, more focused than vice versa. The reason usually given is that competing interests operating within the U.S. democratic system become reflected in policy, whether as a result of political pressures from an identifiable constituency within the Congress, or indirectly through the interests of members of the bureaucracy: trade versus human rights, nuclear nonproliferation versus tactics over North Korea, global strategy against regional issues, Taiwan versus Beijing, etc.

All this is true enough. However, underlying the U.S. problem of identifying and pursuing a consistent policy is the unspoken assumption that the United States has an ideological goal in China. The United States, like anyone else, may not always practice what it preaches. But to a degree not found elsewhere in the West, the United States does at heart believe in the universal merits of Jeffersonian democracy, and of free markets as the creators of wealth.

NEWS ANALYSIS

Thus any policy toward China tends to be judged by reference to whether it promotes political pluralism in China, helps or hurts advocacy of market forces, and coaxes China to participate in a U.S.-led international community of civilized nations. These are complex enough assessments at the best of times. What might seem to help one cause is a setback for another. They must be overlaid by considerations of what is perceived to be more immediate U.S. national interests.

China has no lack of internal debate on its policies toward the United States. There are big differences of view on the handling of the Taiwan question which translate directly into relations with Washington. Decisions need to be made on trade-offs between economic and strategic interests.

How important is it for China to join the World Trade Organization, or is membership one of multiple issues on the obessboard? How far can China go with economic opening to the West without compromising its increasingly vociferous posture on nationalist issues?

However, China can define its policy to the United States in terms entirely of the leadership's perception of China's interests. Of course, tactics in Washington are important but China does not have to worry about how best to convert the United States to "Chinese values" as prescribed by Mao Zedong, Deng Xiaoping or Jiang Zemin.

U.S. policy dilemmas have most clearly been spelled out on the economic front. This is evident in the commercial interest of major U.S. corporations to sell capital goods such as planes to China, to get a foothold in China's consumer goods industries through joint ventures and product franchises and to play a role in modernizing China's financial services. As a result, these companies have been, from Beijing's standpoint, effective lobbyists in Washington for its political interests, ensuring that trade has been detached from human rights.

However, it is not clear to all Americans that it is in the broader U.S. economic interest to give often unreciprocated access to Chinese products. China now has a larger trade surplus with the United States than any other country.

If such access promotes market forces in China and helps normalize its global trade relations, it may be a small price for America to pay. But the jury is still out.

Meanwhile, U.S. corporations mostly have yet to show that they can make money in China without giving away technology or brand names in the process. Piracy remains widespread and transparency is scarce. China has used the magnet of its high-growth economy to lure Western capital and technology. But whether it is prepared in the longer run to play by Western rules is another matter. From a Chinese perspective, there is no reason other than self-interest why they should.

Beijing's success in overturning the human rights agenda of the early days of the Clinton administration has, in its eyes, proved the wisdom of standing up to Western interference. The notion of a "China that can say no" is now embedded in the psyche of the Jiang government. This is a notable change from the often uncritical worship of wealth and the West sometimes associated with Mr. Deng.

China might be wrong to assume that this game is over. The human rights and trade issues will not go away entirely and may indeed be highlighted next year. The return of Hong Kong is likely to raise additional human rights problems and complicate trade questions.

The past few months have seen improvements in bilateral relations as both sides have recognized their respective limits on key issues. At a broader level, exaggerated fears in the United States about China's military and economic superpower potential appear to have waned. In China, there is recognition that the drumming up of anti-U.S. sentiment for political purposes must be tempered with acknowledgment of how important U.S. trade and investment are for modernization.

PHILIP BOWRING is a journalist based in Hong Kong.

War Memories Mar Relations With Tokyo

By Richard McGregor

HONG KONG — When four young Chinese authors wrote a best-selling book railing against the United States earlier this year, they didn't have to look far to find a new target for their successful sequel — Japan.

"Japan is a fierce dog which bit people, and has been beaten, but it will never acknowledge that it ever bit people. It even barks now and then to express its sense of grievance," wrote the authors in "The China That Can Still Say No."

The main target of the book — Japanese militarism — was familiar, as, ironically, was the title, copied from a similarly bellicose neo-nationalist tract released in Tokyo in 1990, "The Japan That Can Say No."

NEWS ANALYSIS

Even as they forge an economic partnership that will far outstrip their business ties with the United States in the next century, Japan and China remain locked in a political relationship that is defined and often stunted by a war they fought more than half a century ago.

When the two governments do take a practical approach to their differences, as with the recent territorial dispute over a few small islands in the East China Sea, visceral nationalists in both countries can force them to take a tougher stand.

The dormant dispute over sovereignty of the Diaoyu Islands, which are known as the Senkaku Islands in Japan, was revived by an obscure bunch of Japanese ultra-rightists, who planted a lighthouse there in July this year.

Their action provoked emotional protests in Hong Kong, in particular, and Taiwan, and prompted Beijing to swiftly clamp down on planned anti-Japanese demonstrations on the mainland.

Few countries have as much at stake as Japan and China in getting their relationship right.

A recent report by the East Asia Analytical Unit of Australia's Foreign Affairs attempted to calculate the value that bilateral trade between Asia's two giants would reach in 2015, and came up with some arresting projections. The report's authors concluded that Chinese-Japanese bilateral trade would account for at least 4 percent of world trade by 2015, and possibly as much 8 percent.

To put that into perspective, trade between the United States and Japan, which has underpinned the Asia-Pacific's remarkable growth over the last two decades, accounted for 4.3 percent of world trade in 1993.

Not only could Japan and China be generating double that in less than 20 years, the business they do all over the world could by then account for as much as 28 percent of global trade, the report says.

After dipping slightly in 1990 in the aftermath of the crackdown on pro-democracy protests, the value of two-way trade has risen at an average of more than 26 percent a year since 1991.

Underpinning Chinese economic growth has been Japan's substantial aid program. By the end of 1995, China had received soft loans worth 1.753 billion yen ($15.7 billion) over nearly two decades, with a new aid package starting this year worth a further 580 billion yen.

Beijing has always considered the billion-dollar aid program to be de facto war reparations, something that Japanese officials, who are reluctant or unable to deal straightforwardly with the issue of war compensation, have acknowledged.

That's why Beijing was particularly angered when Tokyo suspended its small grant-aid program last year in protest against China's nuclear testing, the first time Japan had imposed unilateral sanctions against China since the normalization of relations in 1972.

Professor Joseph Cheng of City University in Hong Kong believes that Tokyo's sanctions were more a response to grassroots anger in Japan about the tests than an attempt to exert pressure on China.

However, that unusually tough line and the islands dispute has prompted a new series of articles in China's state-controlled media warning of a revival in Japanese militarism.

The articles are partly in retaliation for the singling out in Japan's 1996 Defense White Paper of China for actions that have "heightened tensions" in the region, most notably in the Taiwan Straits.

But Chinese policymakers also maintain a visceral mistrust of Japan. "Although they harbor suspicion toward the United States, they view Japan with even less trust, and in many cases, with a loathing rarely found in attitudes towards America," said a U.S. academic, Thomas J. Christensen, in the latest issue of the journal, Foreign Affairs.

For that reason, China tolerates the presence of American troops in Japan, but it also worries that Tokyo will use this alliance to gang up against it. "Beijing's nightmare," said Professor Cheng in Hong Kong, "is that Japan would join hands with the United States to contain China."

RICHARD MCGREGOR is the Hong Kong-based correspondent for The Australian newspaper. He has recently written a book entitled "Japan Swings: Politics, Culture and Sex in the New Japan."

China's Expansionist Claims Unsettle Its Asian Neighbors

But ASEAN Wants to Engage Not Contain Beijing

By Michael Richardson

SINGAPORE — Officially, relations between China and its neighbors in Southeast Asia are cordial and becoming closer. Extensive and growing trade, investment, tourism and political contacts are gradually breaking down barriers of mutual mistrust dating back to the Cold War, when China's Communist rulers sought to export revolution and subversion to non-Communist countries in the region.

Symbolizing Beijing's increasing regional influence, ASEAN, the Association of South East Asian Nations, in July made China a full "dialogue partner," putting it on a par with countries such as the United States, Japan, Australia, New Zealand, Canada and South Korea that have close links with the group.

ASEAN members — Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam — have also made it clear, individually and collectively, that they are committed to engage, not contain, China.

But beneath the formal bonhomie, there are strong residual concerns in Southeast Asia about China's irredentist territorial and maritime claims in the region, and how Beijing may act on them in the future when the country's rapid economic growth has helped it build a strong military force that can project power overseas.



In an unusually blunt warning, Lee Kuan Yew, Singapore's senior minister, said in a speech in Beijing in September that if the territorial and maritime issues were not resolved in a sensitive way, the present friendly relations between ASEAN and China could revert to the awkward relations of the past when China supported guerrilla insurgencies in many Southeast Asian countries.

Mr. Lee said that many medium and small countries in Asia were concerned about what kind of world they would face when China grew strong.

"They are uneasy that China may want to resume the imperial status it had in earlier centuries and have misgivings about being treated as vassal states having to send tribute to China as they used to in past centuries," he said.

To prevent its military buildup being misinterpreted, Mr. Lee said that China should be completely transparent about its intentions in acquiring modern weaponry, and openly define its role in regional and global security.

He said that Beijing's claims to the Spratly Islands and a large area of surrounding waters and seabed — which are contested in full or in part by Vietnam, the Philippines, Malaysia and Brunei — were particularly sensitive.

"Many nations are concerned that sea and air corridors through and over the Spratlys should not be closed," Mr. Lee added.

Such countries include Japan and South Korea, which rely heavily on shipping lanes through the South China Sea for their oil and other vital imports.

The United States also regards maintenance of free passage through the South China Sea as essential for its military operations in the Asia-Pacific region, the Indian Ocean and the Gulf. U.S. warships and planes based in the Pacific theater use the South China Sea lanes when moving between the Pacific and Indian oceans on their way to or from the Gulf, the source of much of the United States's oil.

Early last year, in what some analysts saw as part of a strategy of creeping expansion in the South China Sea to secure valuable oil, natural gas and fishing grounds in the region, Beijing occupied Mischief Reef about 200 kilometers (120 miles) from the Philippines, which has one of the weakest armed forces in ASEAN. The reef is in a part of the Spratly Islands claimed by Manila.

Other members of ASEAN supported the Philippines in condemning the Chinese occupation.

Beijing asserts that the structures built on Mischief Reef are shelters for fisbermen. But Philippine intelligence officials say that the installations could become the nucleus of a Chinese naval base.

In May, Beijing issued a declaration defining its territorial sea borders along is southern coast and around the Paracel Islands in the northern part of the South China Sea. Beijing's forces occupy the islands, which are also claimed by Vietnam.

Analysts said that Beijing's declaration would expand the area of sea under its jurisdiction to about 3 million square kilometers (1.6 million square miles) from the present 370,000 square kilometers.

Under China's territorial sea law of 1992, foreign military ships entering these waters must have prior permission, foreign submarines must travel on the surface and show their flag of origin, nuclear-powered vessels must "carry relevant documents and take special precautionary measures" while foreign military aircraft have no right to overfly the waters.

Legal experts in a number of ASEAN countries have concluded that China's action violates international law and have warned that Beijing might try to use the same principles to reinforce its claim to the Spratlys and other parts of the South China Sea.

Although not a claimant to any part of the Spratlys, Indonesia, which is by far the largest country in ASEAN, sent a clear signal to Beijing recently that it will strongly resist any Chinese attempt to assert control over a huge natural gas project being developed by Indonesian and U.S. companies.

Jakarta staged a large-scale military exercise in its Natuna Islands which lie to the south of the Spratlys in the South China Sea.

The gas field, which is being developed at a cost of $40 billion by Indonesia's state oil firm Pertamina, and Exxon Corp. and Mobil Corp. of the United States, is located 225 kilometers northeast of the main island in the Natuna group. China last year assured Indonesia that it had no claim to the Natunas but failed to give such an assurance for the gas field.

Official Chinese maps show the field falling well within a line marking China's jurisdiction in the South China Sea.

Analysts said that the military-backed government in Jakarta was becoming increasingly concerned about Beijing's intentions in the South China Sea.

Dewi Fortuna Anwar, a specialist on regional security at the Indonesian Institute of Sciences, said that Indonesia would continue its policy of engaging China in a wide range of economic, political and military contacts in the hope that this would lead to peaceful coexistence.

"On the other hand, I think it would be foolish for us to be completely naive," she said. "China respects strength. If they see you as being weak, they'll eat you alive."

MICHAEL RICHARDSON is Asia editor of the International Herald Tribune.

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CHINA / A SPECIAL REPORT

Rural Schools Struggle to Make the Grade as Resources Dwindle

By Richard Tomlinson

ANSAI, China — When Pinghu Hope School opened in August 1995, it boasted a new white-tiled classroom building. A year later, the tiles are stained, there are cracks in the concrete, and a hole has appeared in the staircase wall.

"Some children knocked it through with their hands," said the headmaster, Yang Ting, with an embarrassed smile.

Yet, Mr. Yang is proud of his school, which he says has transformed primary education in Ansai county, a rural backwater of northwest China's Shaanxi Province. "In the past, some children dropped out of school," he explained. "That's why money has been invested here." The problem, he added, has now been completely solved.

Looking through the window of Mr. Yang's dingy office, it was hard to dispute his claim. At mid-morning break, Pinghu's thousand pupils, drawn from the villages around Chenguan township, swarmed across the muddy playground under the watchful eye of their teachers. Nonetheless, if Mr. Yang is correct, Ansai county is almost unique among China's poorer rural areas in having no children who have abandoned school.

Mr. Yang was just as adamant that all his teachers, including himself, were paid on time.

In 1995, the National People's Congress estimated that more than one million teachers in 22 provinces, including Shaanxi, had not received their salaries for at least six months. Last June, Shwo Jinrong, director of the National People's Congress's education department, reported that unpaid teachers' salaries amounted to 190 million yuan ($23 million).

In Ansai county, according to Mr. Yang, it is a different story. "I've been teaching in Ansai for 20 years, and there's never been any difficulty," he insisted.

A tour of the main classroom building did not dispel all the doubts surrounding Mr. Yang's assertions. It did, however, suggest that Pinghu is a better-than-average school by the standards of rural China.

The real problem, for Mr. Yang and his staff, for Ansai county and for the central government, is that those standards are so abysmally low.

Pinghu may represent the last, best hope for the children of Ansai; but from another point of view, the school's manifest shortcomings illustrate how far China's rural education system has disintegrated after 17 years of what the government describes as "socialist market" economic reforms. Before the 1980s, rural education was hopelessly inadequate, but at least there was some assurance that the state would provide sufficient resources for rudimentary village schools to function.

In the last decade, however, central and local governments have found it increasingly difficult to maintain this commitment, for in the "socialist market" economy, it is possible for private businessmen in the cities to make fortunes, while the state is starved of tax revenue.

Schools have been a major casualty of this process, with government spending during the past two years falling from 2.68 percent of GNP in 1994 to 2.4 percent in 1995. That is well short of the spending target of 4 percent which the government says it will reach by the end of the decade.

The shortage of funds is made worse by venal local officials who — according to a scathing State Education Commission circular last January — routinely divert money for schools to "the construction of auditoriums, amusement halls and hotels."

With public funds in decline, the education authorities are turning to charities and private donors to make up the shortfall; and it is to China's leading educational charity, Project Hope, that the Pinghu Hope School owes its existence. Since 1989, Project Hope — which like all "charities" in China is state-backed — has set up more than 2,500 schools in more than 400 rural counties, and claims to have retrieved 1.25 million children who had abandoned the classroom.

A related program, Spring Bud, concentrates on the particularly serious problem of rural girls dropping out of school.



Agence France-Presse

Children in a village school in Beishankou in Henan Province. In general, rural education has been hurt since the introduction of market reforms.

IN 1993, Project Hope organized a donation of 300,000 yuan to Pinghu from a township in the Shenzhen Special Economic Zone, on the border with Hong Kong. A further 600,000-700,000 yuan (Mr. Yang could not remember the exact sum) was provided by Ansai county as startup capital.

Mr. Yang said the money had been well spent. "At the school which was here before, we only had four rooms built into the hillside," he said, referring to the cave dwellings which are common in this part of Shaanxi. "Now we have 988 pupils."

Until Pinghu opened in August 1995, about a third of these children, aged 7 to 13, would have gone to the primary school in Chenguan township, just down the hill. The remainder would have attended, at least in theory, rudimentary schools near their homes.

Gao Qi, another teacher at Pinghu, used to work with Mr. Yang at Majiakou Primary School in the hills behind the current site. She, too, enthused about Pinghu's facilities. "In the past when I taught Chinese language, there was only one classroom available, with three or four different grades mixed together. At Pinghu, I only have one grade for each lesson."

Yet despite Pinghu's generous private endowment, Mr. Yang admits he is short of resources. The school's annual budget from Ansai county is 170,000 yuan, topped up by about 60,000 yuan in pupils' fees — a levy introduced since market reforms. It is still not enough.

Pinghu has an average class size of about 60 pupils, but Mr. Yang cannot reduce the numbers because "if we employ more teachers we will have financial difficulties."

Nor is there money to build proper offices for the staff, who have a single, cramped room to correct school work.

Mr. Yang's two-room office also serves as home for himself and his wife. She supplements his meager monthly income of 320 yuan by working on a plot of land they own in a nearby village.

The daunting challenge faced by Mr. Yang and his colleagues to educate their pupils was illustrated by two boys met on the school's playground.

Du Zhuan, a gaunt 14-year-old, had a listless manner that may have been partly caused by hunger. Unlike most other pupils, he explained, he did not go home for lunch "because there is no place to eat." In halting sentences, Du described his school career to date. "I went to my village primary school at the age of seven for three years. Then I had to repeat the last two years, because I didn't work hard."

Du preferred Pinghu's building to the cave rooms where he previously studied, and wanted to go on to middle school. "Right now my marks are better," he said. Nonetheless, he appeared to have difficulty understanding even the simplest questions.

His schoolmate, Kang Xisai, said he was 13; in terms of height and size, he looked at least three years younger. Like most of Pinghu's pupils, Kang's clothes were filthy, which was hardly surprising since they were the only set he owned. As for washing, he explained that he never bathed in winter, because there was no running water at home, but he occasionally used the local river in summer.

Kang first attended his village school (the same as Du's) at the age of nine, because until then his parents did not have the money. He added that it was still "difficult" for them to afford the fees at Pinghu, which he claimed cost 100 yuan per term — well above the official figure of 28 yuan. Even so, Kang said, his family would "try their best to send me to middle school."

If Kang's immediate future was uncertain, his long-term plans were clear; he wanted to be a soldier and leave Ansai county. "Life is better in other places," he explained, seemingly untroubled by the possibility that he might never reach the minimal academic standards required by the People's Liberation Army.

Hong Kong Putting on a Brave 'Face'

By Jane Blennerhassett

HONG KONG — There is a lot of "face" being practiced in Hong Kong seven months ahead of the 1997 transition. Not just the ancient Chinese custom relating to respect, but a very brave face on the populace masking nerves over the transition.

Up front, Hong Kong people are positive about the handover. They have to be. Dig deeper, they have real worries.

Ask Leung Kin-ming, a taxi driver. "Same, same. Nothing will change," he says.

But probe further and Mr. Leung shows resignation common among many local people who feel powerless about the handover.

"What can we do? I don't have a foreign passport. Beijing already knows who it wants in charge [of Hong Kong]. I am Chinese. I know how they think."

Smiles of bravado turn stiff at the corners because of the uncertainty about human rights, press freedom, law and order and corruption in Hong Kong once it becomes a Special Administrative Region of China.

The set jaw of confidence aches at the thought that life here could become more like it is on the Communist mainland, even though local people identify with China far more than they do with Britain.

There is an admission that even though Britain ruled for a century and a half, its legacy is a robust and vibrant economy.

"There's a schizophrenia happening," said Michael DeGolyer, a Hong Kong academic and long-time observer of the colony's transition to Chinese rule.

People are so busy shrugging off the handover and trying to be happy that they are not dealing with their anxieties about it, he said.

"People are repressing things and you're getting some strange behavior," he added. "The stress indicators are going up."

It is a cultural matter of great face — pride, victory and respect — that Hong Kong will be returned to China from the British colonials who seized it in the mid-1800s.

And China will earn a great deal of face — accolades and triumph — if it can keep the wheels of commerce turning smoothly long after 1997.

Face has permeated all aspects of the handover, from who will pay for the new $20-billion airport to whether the last governor, Chris Patten, will be recognized or given face during the handover ceremony.

China is still furious at Mr. Patten for introducing democracy reforms in the twilight years of colonial rule.

Business is banking on China doing all it can to ensure that financial markets run smoothly during the transition.

The stock market has adopted a can't lose attitude recently on talk that China would create a fund to support markets if they fall during the handover.

The stock market is soaring to new peaks, turning over around $1 billion a day.

Property prices are also nudging higher, foreign businesses are setting up here to grab a foothold in China and the retail sector is ticking along nicely after a recent slump.

Business is relying on the Basic Law, Hong Kong's mini-constitution, and the 1984 Chinese-British Joint Declaration to protect their way of life for the next 50 years.

They chant the words "business as usual" with such regular monotony that it is becoming self-fulfilling.

"They could be building on the side of a volcano and all they can see is the view," said Mr. DeGolyer, referring to investors.

He noted that business does not always show a social conscience when investing in, or when pulling money out of, a country.

BUT WHILE business, on one hand, might be benefiting from a view that the economy will be propped up during the handover, it is also leery of giving up its laissez-faire administration to a more interventionist China.

The securities watchdog, the Securities and Futures Commission, is also afraid it could end up costing the incoming government a lot of money.

"It ends up with government funds being slaughtered. I doubt that it would be effective," said Anthony Neoh, chairman of the Securities and Futures Commission, commenting on speculation over the creation of market support funds.

Tung Chee-hwa, a shipping magnate, and one of eight candidates for the post of Hong Kong's chief executive, fears "cronyism" creeping into business after next year's handover.

And corruption is another main dread of life under Chinese rule, after a drive in Hong Kong to clean up in recent years.

The Better Hong Kong Foundation, a Beijing-friendly tycoon group, found in a survey that, while 71 percent of those polled remain confident about the business environment, about as many fear that corruption will increase.

There are sound reasons for optimism about the economy.

Don't forget the multiplier impact of the new $20 billion airport and railway that will sustain Hong Kong's economy through the handover, commented Ian Perkin, who is the chief economist of the Hong Kong General Chamber of Commerce.

"It's a fait accompli. There's nothing they can do about it," added Mr. Perkin, whose Chamber members have little choice but to remain positive.

But businessmen and women are people, too.

The Better Hong Kong Foundation also found tycoons worrying about the demise of press political freedom after the handover.

MR. LEUNG, the taxi driver, says he will have to be more careful next year. Mr. Leung joined a recent demonstration march to Xinhua, China's de facto embassy in Hong Kong, protesting the jailing of the mainland dissident Wang Dan, and attends annual vigils commemorating the 1989 Tiananmen Square killings.

"I will be looking over my shoulder next year," he said.

China's deputy prime minister and minister of foreign affairs, Qian Qichen, did little to allay fears in a recent interview when he gave warnings about press freedom and the right to mark the June 4 massacre after the handover.

Lately, a debate over whether soldiers from the People's Liberation Army will be answerable to local laws is making people nervous.

It is not clear, for example, if you are in a car accident with an off-duty People's Liberation Army soldier, whether you will be tried in a mainland military court or in Hong Kong.

Laws in general make local people anxious.

At the extreme, Hong Kong could head the way of Nazi Germany if its civil liberties are trampled on by a lap-dog legislature, argued Martin Lee, the popular Democratic Party leader and barrister.

But Raymond Wacks, a Hong Kong University law professor, said he believed that the British had established a sound rule of law in Hong Kong that will long survive.

"It's not going to be like Cinderella turning into a pumpkin on the first of July," he said. "The common law system is very resilient. Once it has taken root it is very, very difficult to uproot or kill it."

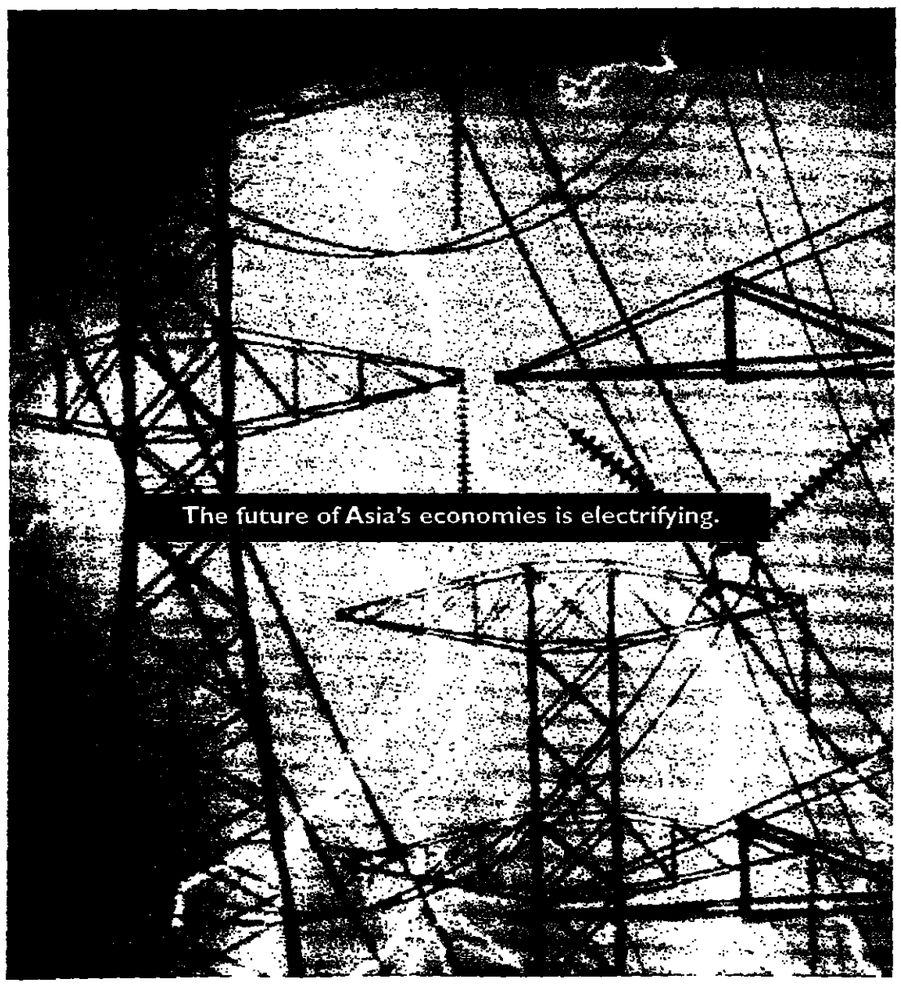
Christine Loh, an independent legislator, said people might be showing bravado, but they are looking for leadership.

They are not seeing it from the chief executive candidates, nor do they feel they can depend on it from Britain after it ceases to rule.

"We should be talking about exercising autonomy," Ms. Loh said. But this is not happening, she added.

"I think people on the whole desperately want to be positive. It's terrible to be negative about the future. Their confidence is like a yo-yo."

JANE BLENNERHASSETT is a journalist based in Hong Kong.



From the 13th to the 15th of November, the most dynamic business meeting in China will be held in Beijing. The China Summit.

The whole objective is to foster dialogue, at the highest level, between leaders of the Chinese Government and decision-makers from the global business community. One of them being YTL Corporation Berhad, a Malaysian-based integrated infrastructure development company.

Other than sponsoring the Summit, the YTL Group is building two power plants in China's Jiangxi province, in collaboration with the Chinese Government. A step that will help bring Asia closer to fulfilling consumer demand for a further 300 GW of electricity by the year 2000.

The YTL Group has been a leader in the rapid development of Malaysia's infrastructure since 1955.

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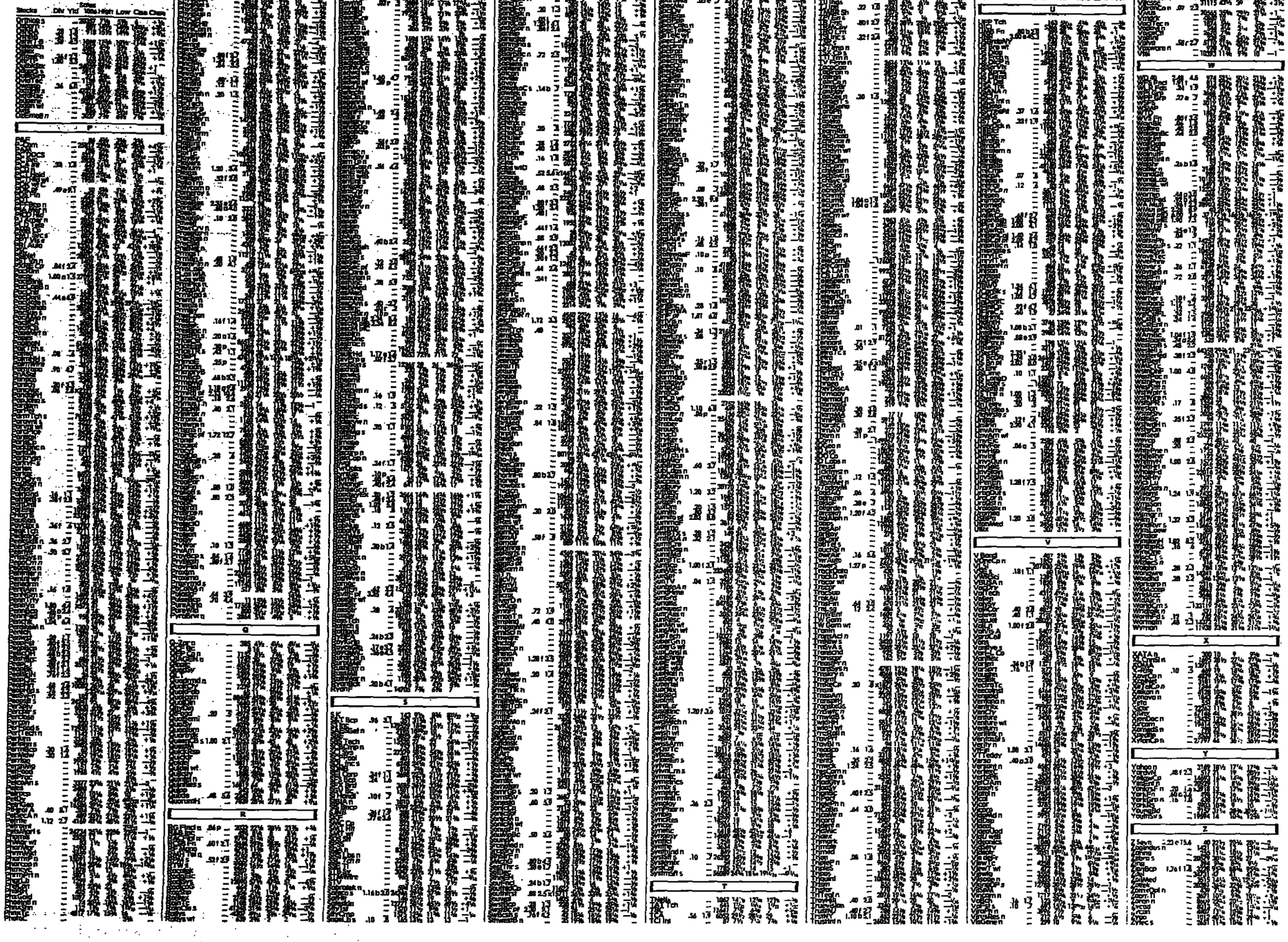
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NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, Nov. 22

(Continued)

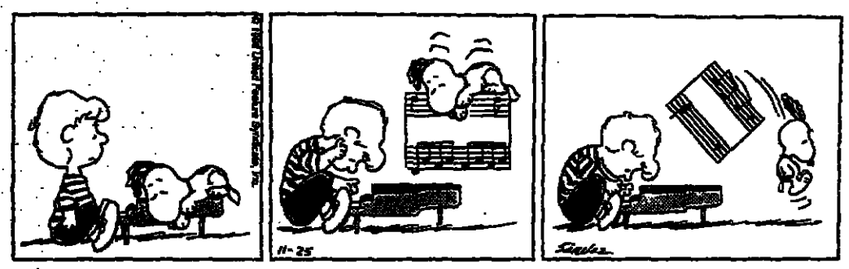


DENNIS THE MENACE



"JUST LOOK AT THESE BROKEN TOYS! I HOPE I HAVE A BIRTHDAY COMIN' SOON!"

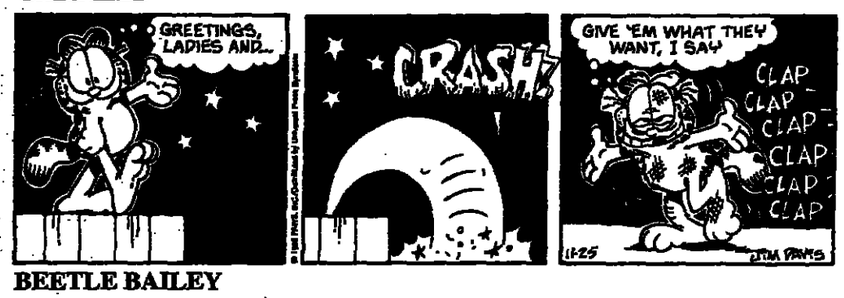
PEANUTS



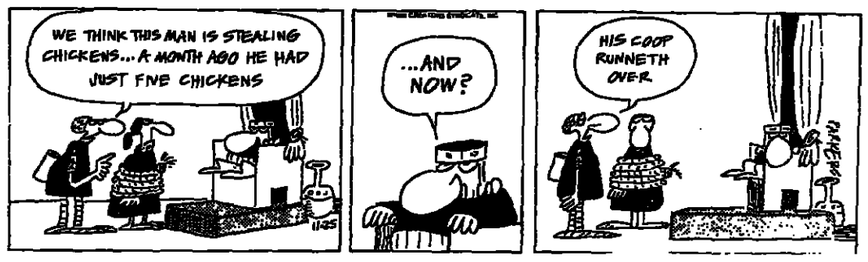
CALVIN AND HOBBES



GARFIELD



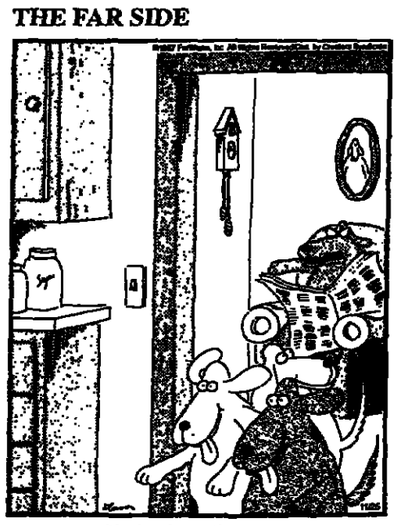
WIZARD of ID



BEETLE BAILEY



THE FAR SIDE



"And we're eating soon, so stay out of the kitten jar."

DOONESBURY



JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

BLEAC

AGLEE

YORRAM

RAWDIN



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: THEY WERE (Answers tomorrow)

Saturday's Jumbles: YOUNG EMBER MANAGE ADJOIN
Answer: Coaxing the cook with his flashlight left the cop – BEAMING

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SPORTS

New Zealand Takes Lead Over Pakistan

Reuters

New Zealand outplayed Pakistan to win by 44 runs on Sunday, taking a 1-0 lead in the teams' two-test series.

The victory, which came 25 minutes after tea on the fourth day of the test, was New Zealand's first in Pakistan since the 1968-69 tour when it won by five wickets at the same venue, Gaddafi Stadium in Lahore.

CRICKET ROUNDUP

Pakistan, chasing a victory target of 276, started the day on 46 runs for five wickets and fought hard. The home team was eventually bowled out for 231 with its debutant, middle-order batsman, Mohammad Wasim, not out on 109. He became the fourth Pakistani, after Khalid Ibadullah, Javed Miandad and Salim Malik, to hit a century in his maiden test, albeit to no avail.

Paceman Simon Doull, who claimed three for 39 for a match haul of eight for 85, was voted man of the match.

The two teams are to meet in the second and final test at Rawalpindi, starting Nov. 28.

West Indies at Australia The West Indies' first innings ended with a collapse in Brisbane on Sunday, as their last seven wickets fell for just 28 runs. The West Indies were all out for 277 runs in their first innings in reply to Australia's 479.

Mark Taylor, Australia's captain, could have made the West Indies bat again, but refused to enforce the follow-on. At the close, Australia had made eight runs for no wickets in its second innings.

South Africa at India India's pace bowler, Javagal Srinath, turned in a career-best performance to spur India to a 64-run victory over South Africa in the first test at Ahmedabad.

The Indian pacer, named man of the match, took six wickets for 21 runs in 11.5 overs as the visitors collapsed for 105 on Saturday, chasing a victory target of 170. Leg-spinner Anil Kumble took three wickets for 34 runs in 12 overs.



[Dave Caulkin/The Associated Press]

Australian full-back Matt Burke being tackled by Jeremy Davidson of Ireland.

Australian Rugbymen Get by Irish

Reuters

Australia remained on course for a Celtic grand slam after weathering a furious Irish onslaught in bitterly cold conditions at Lansdowne Road, Dublin, on Saturday.

The Wallabies trailed, 12-9, with 13 minutes left before finally emerging with a 22-12 victory, which extended their unbeaten European tour record to nine matches.

The Irish, revitalized under hooker Keith Wood, threatened for long periods to cause an upset and led, 9-6, at half time. But that lead proved insufficient when they turned to face the wind in the second half, and Australian fullback Matt Burke coolly kicked three penalties to add to his two in the first half and converted David Knox's 78th-minute try.

England 54, Italy 21 Andy Gomarsall collected two of England's seven tries on Saturday as Phil de Glanville marked his first game as national captain with a comfortable victory.

Ajax Ties Feyenoord, 2-2

Compiled by Our Staff From Dispatches

Patrick Kluivert made amends for an early penalty miss when he scored the equalizer on Sunday as Ajax Amsterdam gained a 2-2 draw in Rotterdam against Feyenoord.

There were three penalties in the first 15 minutes. After two minutes, the Ajax winger Tijjani Babagida was pulled back in the penalty area but Kluivert blasted the kick over the crossbar. Two minutes later, Ronald Koeman of Feyenoord converted his spot-kick after Henryk Larsson was brought down by Winston Bogarde.

In the 15th minute, Ajax drew level as Ronald de Boer scored from the penalty spot after Geoffrey Claes had handled the ball.

Feyenoord regained the lead within a minute when Bernard Schuiteman headed in the rebound after Koeman's free kick had come crashing back off the bar.

Midway through the second half, Ajax rescued a point when Kluivert tucked home the ball after a neat one-two with Nordin Wooter.

Meanwhile, in Alkmaar, Eindhoven scored two first-half goals to cruise past AZ.

The Brazilian striker, Marcelo, scored PSV's first in the 7th minute before Jaap Stam made the three points safe with his 37th minute strike.

PSV's victory and Feyenoord's draw left Eindhoven three points clear at the top of the league.

ENGLAND Goals by Tony Adams and Dennis Bergkamp in the final two minutes lifted Arsenal to a 3-1 victory Sunday over its north London rival, Tottenham, and into second place in the Premier League just a point behind Newcastle.

EUROPEAN SOCCER

Adams scored his first of the season in the 88th with a blistering left-footed shot. Moments later, Bergkamp scored from close in.

In a game that was played in continuous rain, Ian Wright scored his 16th goal of the season in the 28th minute on a penalty to give Arsenal a 1-0 lead. The disputed penalty was called when one of Tottenham's defenders, Clive Wilson, dragged Bergkamp down in the penalty area.

Tottenham tied the match in the 68th when Andy Sinton scored after a corner on a shot that hit the post and then deflected in off the hand of Arsenal's goalkeeper, John Lukic.

On Saturday, Alan Shearer, back for the first time in a month following an injury, scored late in the first half to give Newcastle a 1-1 draw at Chelsea, allowing the Magpies to hang onto first place. Liverpool stayed a point back with a 1-1 draw at home against Wimbledon.

SCOTLAND The Glasgow Rangers won the League Cup final, 4-3, over Hearts on two second-half goals scored within two minutes of each other by the English international, Paul Gascoigne.

Ally McCoist gave Rangers a 2-0 lead with goals in the 11th and 27th, but Hearts tied the match on a goal by Steve Fulton in the 44th and another by John Robertson in the 59th. Gascoigne then scored in the 64th and 66th to ice the match. David Weir scored for Hearts in the final minute. *(Reuters, AP)*

SCOREBOARD

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
Orlando	6	2	.750	—
Miami	8	4	.667	—
New York	8	4	.667	—
Washington	6	6	.500	2
Philadelphia	5	7	.417	3
New Jersey	2	6	.250	4
Boston	2	8	.200	5

CENTRAL DIVISION

	W	L	Pct	GB
Chicago	12	1	.923	—
Detroit	10	2	.833	1½
Cleveland	8	3	.727	3
Charlotte	6	5	.545	5
Atlanta	7	6	.538	5
Milwaukee	6	6	.500	5½
Indiana	3	8	.273	8
Toronto	3	8	.273	8

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
Houston	11	1	.917	—
Utah	8	2	.800	2
Minnesota	5	6	.455	5½
Denver	4	9	.308	7½
Dallas	3	8	.273	7½
San Antonio	2	9	.182	8½
Vancouver	1	11	.083	10

PACIFIC DIVISION

	W	L	Pct	GB
Seattle	11	2	.846	—
L.A. Lakers	9	4	.692	2
Portland	8	5	.615	3
L.A. Clippers	6	6	.500	4½
Sacramento	4	8	.333	6½
Golden State	3	9	.250	7½
Phoenix	0	11	.000	10

FRIDAY'S RESULTS

Seattle 26 36 25 31—118
Boston 28 17 26 20— 91
S: Kemp 10-18 2-4 22, Payton 8-17 3-4 22; B: Day 5-16 4-7 17, Walker 5-15 4-5 15. Rebounds—Seattle 54 (Kemp 13), Boston 60 (Walker 10). Assists—Seattle 33 (Payton, Snow 9), Boston 19 (Barros 5).

Philadelphia 16 17 14 27— 76
Washington 25 23 20 20— 88
P: Stackhouse 7-17 5-5 19, Coleman 4-15 4-4 12, Walters 5-12 0-2 12; W: Howard 8-16 2-4 18, Webber 6-15 1-3 13, Strickland 4-6 5-8 13. Rebounds—Philadelphia 54 (Coleman, Walters 8), Washington 55 (Howard 10). Assists—Philadelphia 12 (Stackhouse, Harris 4), Washington 17 (Howard 6).

San Antonio 26 15 22 23— 86
L.A. Lakers 22 22 28 24— 96
S.A.: Wilkins 7-16 3-3 19, Perdue 8-10 1-2 17; L.A.: O'Neal 13-19 3-10 29, Jones 8-16 5-5 24. Rebounds—San Antonio 47 (Wilkins 13), Los Angeles 41 (O'Neal 21). Assists—San Antonio 19 (Johnson 14), Los Angeles 23 (Van Exel 9).

Miami 18 32 18 22 10 11—111
Sacramento 24 16 24 26 10 8—108
M: Hardaway 6-20 8-8 22, Mourning 7-17 6-7 20; S: Richmond 12-24 6-6 32, Abdul-Rauf 9-16 2-3 23. Rebounds—Miami 63 (Mourning 14), Sacramento 50 (Smith 9). Assists—Miami 21 (Hardaway 8), Sacramento 23 (Richmond 6).

SATURDAY'S RESULTS

Houston 21 25 40 22 12—120
Golden State 24 35 23 26 7—115
H: Drexler 11-23 6-8 32, Barkley 5-16 16-20 27; G.S.: Price 11-14 5-6 32, Sprewell 10-19 6-6 28. Rebounds—Houston 59 (Barkley 17), Golden State 39 (Smith 7). Assists—Houston 27 (Barkley 12), Golden State 32 (Sprewell 11).

Atlanta 26 19 24 22— 91
Toronto 26 21 23 18— 88
A: Laettner 9-16 9-13 29, Recasner 8-13 4-4 23; T: Stoudamire 7-18 5-5 22, Williams 7-18 4-5 19. Rebounds—Atlanta 43 (Mutombo 9), Toronto 41 (Jones 9). Assists—Atlanta 16 (Recasner 5), Toronto 20 (Stoudamire 8).

Dallas 24 18 24 23— 91
New Jersey 32 30 31 21—114
D: McCloud 4-10 4-4 13, Meyer 4-11 3-4 11, Jackson 5-8 0-0 11, Gatling 4-10 3-7 11; N.J.: Gill 10-17 2-2 26, Pack 5-8 5-6 17. Rebounds—Dallas 49 (Meyer 9), New Jersey 57 (J.Williams 15). Assists—Dallas 22 (Kidd 12), New Jersey 33 (Pack 22).

Detroit 18 17 26 24— 85
Charlotte 17 24 29 23— 93
D: Dumars 7-16 4-5 20, Hunter 7-16 1-2 18, Thorpe 7-13 4-5 18; C: D.Curry 7-13 3-4 19, Mason 6-11 6-9 18. Rebounds—Detroit 44 (Thorpe 13), Charlotte 41 (Mason 11). Assists—Detroit 15 (Dumars 6), Charlotte 28 (Bogues 9).

Orlando 16 16 23 21—76
Indiana 21 19 23 10—73
O: Grant 5-11 2-4 12, Armstrong 4-6 2-2 12, Strong 3-5 6-6 12; I: Miller 9-15 4-5 24, Askew 2-5 6-6 10. Rebounds—Orlando 45 (Grant, Seikaly 11), Indiana 36 (McKey 8). Assists—Orlando 15 (Armstrong 4), Indiana 18 (Best 5).

Washington 26 22 18 29—95
Milwaukee 28 27 21 14—90
W: Howard 10-23 3-4 23, Webber 9-16 2-8 20; M: Robinson 13-21 5-6 33, Baker 6-20 5-8 17. Rebounds—Washington 51 (Webber 15), Milwaukee 56 (Baker 16). Assists—Washington 20 (Strickland 8), Milwaukee 13 (Douglas 9).

Chicago 38 29 26 15—108
Utah 35 24 23 23—105
C: Jordan 17-32 10-12 44, Pippen 6-13 2-2 16; U: Malone 14-28 8-10 36, Hornacek 4-9 8-8 18. Rebounds—Chicago 47 (Rodman 10), Utah 43 (Malone 15). Assists—Chicago 17 (Jordan 4), Utah 25 (Stockton 13).

New York 26 15 31 20— 92
Philadelphia 21 22 33 33—109
N.Y.: Starks 8-13 3-4 20, Ewing 7-12 5-8 19; P: Iverson 7-20 9-16 26, Coleman 7-10 9-11 25. Rebounds—New York 42 (Ewing 9), Philadelphia 52 (Iverson 9). Assists—New York 21 (Houston 5), Philadelphia 25 (Coleman, Iverson 9).

L.A. Clippers 21 31 20 24— 96
Minnesota 33 22 19 24— 98
L.A.: Roberts 5-11 8-11 18, Piatkowski 4-5 5-6 15; M: Garnett 9-10 6-8 24, Gugliotta 4-16 8-10 17. Rebounds—Los Angeles 42 (Sealy, Roberts 5), Minnesota 51 (Gugliotta 12). Assists—Los Angeles 15 (Rogers), Minnesota 22 (Marbury 9).

Denver 13 12 26 14— 65
Portland 32 20 25 28—105
D: McDyess 6-18 4-6 16, Hammonds 4-7 0-0 8; P: Trent 9-12 4-4 22, Anderson 5-7 0-0 14. Rebounds—Denver 40 (Johnson, B.Thompson 5), Portland 65 (Trent 13). Assists—Denver 10 (B.Thompson 4), Portland 27 (Anderson 8).

THE AP TOP 25 RESULTS

How the top 25 teams in The Associated Press' college basketball poll fared Saturday:

1. Cincinnati (1-0) beat Western Carolina 99-72. 4. Utah (1-0) beat Azusa Pacific 83-50. 12. Clemson (2-0) beat Coastal Carolina 70-47. 17. Texas (1-0) beat Nebraska 83-81, OT. 18. New Mexico (3-0) beat Eastern Washington 69-53. 23. Minnesota (1-0) beat Stephen F. Austin 101-55. 24. George Washington (2-0) beat Boston University 73-68.

HOCKEY

NHL STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	T	Pts	GF	GA
Florida	14	3	5	33	70	43
Washington	12	9	1	25	66	60
Philadelphia	12	10	1	25	65	62
New Jersey	11	8	1	23	50	52
N.Y. Rangers	7	13	4	18	76	75
Tampa Bay	7	10	2	16	60	62
N.Y. Islanders	4	9	8	16	52	63

NORTHEAST DIVISION

	W	L	T	Pts	GF	GA
Hartford	10	6	4	24	60	60
Buffalo	10	10	1	21	59	63
Montreal	9	11	3	21	85	87
Boston	7	9	4	18	57	68
Ottawa	6	8	6	18	55	60
Pittsburgh	7	13	1	15	65	81

WESTERN CONFERENCE

CENTRAL DIVISION

	W	L	T	Pts	GF	GA
Dallas	14	7	1	29	64	52
Detroit	13	7	3	29	69	42
Chicago	11	10	3	25	64	59
St. Louis	12	11	0	24	72	70
Toronto	9	13	0	18	67	77
Phoenix	6	11	4	16	49	63

PACIFIC DIVISION

	W	L	T	Pts	GF	GA
Colorado	15	5	4	34	91	50
Vancouver	12	8	0	24	61	59
Edmonton	11	11	1	23	77	74
Los Angeles	9	10	3	21	59	72
Calgary	9	12	2	20	59	59
San Jose	7	12	4	18	58	77
Anaheim	5	13	4	14	59	79

FRIDAY'S RESULTS

Pittsburgh 1 1 5—7
Hartford 0 0 1—1
First Period: P-Nedved 10 (Hatcher, Barnes) (pp). Second Period: P-Olausson 3 (Nedved, Woolley) (pp). Third Period: P-Jagr 17 (Lemieux) 4, P-Jagr 18. 5, H-Kapanen 4 (Cassels, Emerson) 6, P-Hatcher 4 (Sandstrom) 7, P-Francis 6. 8, P-Johansson 3. Shots on goal: P- 12-11-14—37. H- 11-14-13—38. Goalies: P-Wregget. H-Muzzatti.

N.Y. Islanders 1 1 0—2
Colorado 1 2 0—3
First Period: New York, Hughes 2 (Plante, Armstrong) 2, C-Kamensky 8 (Forsberg, Sakic) (pp). Second Period: New York, Lapointe 3 (Wood) 4, C-, Yelle 2 (Severyn, Faraut) 5, C-Kamensky 9 (Gusarov) Third Period: None. Shots on goal: New York 4-9-10—23. C- 10-6-11—27. Goalies: New York, Salo. C-Roy.

Florida 0 0 1 1—2
Dallas 0 0 1 0—1

Montreal 2 1 1—4
Toronto 1 2 0—3
First Period: T-Schneider 4 (Craig, Gilmour). 2, M-Malakhov 3 (Recchi, Richer) (pp). 3, M-, Richer 9 (Bureau, Corson) Second Period: T-Berezin 8 (Sundin, Modin) 5, M-Corson 5 (Savage, Koivu) (pp). 6, T-Gilmour 5 (Craig, Clark) Third Period: M-Bureau 3 (Corson, Brisebois) Shots on goal: M- 11-13-7—31. T- 6-12-18—36. Goalies: M-Thibault. T-Potvin.

Calgary 1 1 0—2
Edmonton 1 1 1—3
First Period: C-Albelin 1 (Gagner) 2, E-, Kovalenko 10 (McAmmond, Richardson) Second Period: C-Fleury 11 (Reichel, Titov) (pp). 4, E-Kovalenko 11 (McAmmond) Third Period: E-Czerkawski 8, (Weight, Marchment) Shots on goal: C- 5-7-6—18. E- 12-10-13—35. Goalies: C-Roloson. E-Joseph.

Florida 0 2 1—3
St. Louis 0 1 0—1
First Period: None. Second Period: S.L.-Campbell 11 (York) (pp). 2, F-Gustafsson 5 (Straka, Sheppard) 3, F-, Sheppard 8 (Svehla, Lowry) (pp). Third Period: F-Hull 4 (Wells, Fitzgerald) Shots on goal: F- 13-6-9—28. S.L.- 6-14-10—30. Goalies: F-Fitzpatrick 4-1-2. S.L.-Fuhr.

N.Y. Islanders 3 0 0—3
Phoenix 0 0 3 0—3
First Period: New York, D.King 11 (Berard, Smolinski) (pp). 2, New York, Palffy 13 (Smolinski, Berard) (pp). 3, New York, Berard 1 (Green, D.King) (pp). Second Period: None. Third Period: Phoenix, Tverdovsky 3 (K.King) 5, Phoenix, Ronning 1 (Tverdovsky, Wakaluk) (pp). 6, Phoenix, Tkachuk 6 (Quint, Corkum) Overtime: None. Penalties—None. Shots on goal: N.Y. 11-4-3-3—21. P. 8-16-13-3—40. Goalies: N. Y. - Fichaud. P-Khabibulin, Wakaluk.

N.Y. Rangers 1 1 1—3
Vancouver 0 3 2—5
First Period: New York, Karpovtsev 1 (Leetch, Messier) (pp). Second Period: New York, Ganeau 9 (Nemchinov, Lidster) 3, V-Roberts 2, (Cournall, Brashear) 4, V-, Mogilny 10 (Babych) 5, V-Ridley 5 (Mogilny, Walton) Third Period: V-Ridley 5 (Walker) 7, New York, Sundstrom 8 (Noonan, Karpovtsev) 8, V-Bure 9 (Tikkanen) (en). Shots on goal: N.Y. 7-13-8—28. V- 5-10-10—25. Goalies: New York, Richter. V-Hirsch.

Anaheim 1 2 0—3
San Jose 0 0 0—0
First Period: A-Kariya 5 (Selanne, Mironov) (pp). Second Period: A-Kariya 6 (Ruchin, Mironov) (pp). 3, A-Rychel 7 (Selanne, Todd) (pp). Third Period: None. Shots on goal: A- 14-11-7—32. S.J.- 10-8-7—25. Goalies: A-Hebert 2-8-4. S.J.-Terreri.

Detroit 2 3 1—6
Los Angeles 0 0 0—0
First Period: D-Yzerman 8 (Shanahan, McCarty) 2, D-Holmstrom 2 (Konstantinov, Fedorov) (pp). Second Period: D-Shanahan 10 (Yzerman). 4, D-Yzerman 9 (Maltby, Dandenault) 5, D-McCarty 7 (Yzerman, Shanahan) Third Period: D-Shanahan 11 (Ward, Lapointe) Shots on goal: D- 8-11-15—34. L.A.- 7-7-12—26. Goalies: D-Osgood. L.A.-Fiset.

First Period: None. Second Period: None. Third Period: F-Lindsay 4 (Dvorak) 2, D-, Adams 11 (Verbeek, Matvichuk) Overtime: 3, F-Hull 3 (Lindsay, Vanbiesbrouck) (sh). Shots on goal: F- 13-5-7-2—27. D- 1-15-14-0—30. Goalies: F-Vanbiesbrouck. D-Moog.

Washington 1 3 1—5
New Jersey 0 0 1—1
First Period: W-Simon 4 (Bondra, Housley) (pp). Second Period: W-Konowalchuk 4 (Hunter) 3, W-Simon 5 (Bondra, Gonchar) (pp). 4, W-, Miller 2, (sh). Third Period: W-Bondra 7 (Nikolishin) 6, New Jersey Guerin 8 (Brylin, Zelepukin) Shots on goal: W- 9-13-5—27. N.J.- 17-10-12—39. Goalies: W-Kolzig. N.J.-Brodeur.

Chicago 1 0 4—5
Calgary 0 2 0—2
First Period: C-Amonte 14 (Zhamnov, Chelios) (sh). Second Period: C-Titov 8 (Fleury, Gagner) 3, C-Titov 9 (Fleury, Chiasson) Third Period: C-Daze 6 (Craven) 5, C-, Krivokrasov 3 (Amonte, Weinrich) 6, C-Moreau 6 (Weinrich, Cummins) 7, C-Amonte 15 (Krivokrasov, Carney) (pp). Shots on goal: C- 14-3-15—32. C- 13-8-13—34. Goalies: C-Belfour. C-Kidd.

SATURDAY'S RESULTS

Buffalo 1 1 0 1—3
Boston 1 1 0 0—2
First Period: B-Burridge 4 (Peca, Zhitnik) (pp). 2, B-Bourque 1 (Sweeney, Elik) Second Period: B-Holzinger 7 (Dawe) 4, B-, Hawkins 1 (Richter, Bourque) (pp). Third Period: None. Overtime: 5, B-Grosek 4 (Barnaby) Shots on goal: B- 9-12-6-5—32. B- 7-12-16-1—36. Goalies: B-Hasek. B-Bailey.

Hartford 2 1 0 0—3
Ottawa 0 1 2 0—3
First Period: H-Sanderson 10 (Cassels, Dineen). 2, H-Sanderson 11 (Cassels) Second Period: H-Kapanen 5 (Emerson) (pp). 4, O-Alfredsson 8 (Cunneyworth, Duchesne) Third Period: O-Alfredsson 9 (Daigle, Yashin) (pp). 6, O-Gardiner 4 (Daigle, Lambert). Overtime: None. Shots on goal: H- 2-11-4-4—21. O- 9-9-9-1—28. Goalies: H-, O-Rhodes 5-6-6.

New Jersey 1 1 1—3
Washington 0 2 2—4
First Period: N.J.-Chambers 2 (Thomas, Pederson) Second Period: N.J.-Thomas 3 (Holik) 3, W-Bondra 8 (Simon, Klee) 4, W-, Konowalchuk 5 (Miller, Hunter) Third Period: W-Housley 6 (Gonchar, Nikolishin) (pp). 6, N.J.-MacLean 6 (Ralston, Thomas) (pp). 7, W-Bondra 9 (Gonchar) Shots on goal: N.J.- 14-10-8—32. W- 6-10-7—23. Goalies: N.J.-Brodeur. W-Carey.

Philadelphia 1 0 1—2
Tampa Bay 1 0 0—1
First Period: T-Cicarelli 14 (Houlder, Shaw) 2, P-Brind'Amour 7 (Podein, Falloon) Second Period: None. Third Period: P-Hawerchuk 5 (Desjardins, Niinimaa) (pp). Shots on goal: P- 10-11-13—34. T- 5-11-5—21. Goalies: P-Hextall . T-Schwab.

FOOTBALL

THE AP TOP 25

How the top 25 teams in The Associated Press' college football poll fared this week:

No. 1 Florida (10-0) did not play. No. 2 Ohio State (10-1) lost to No. 21 Michigan 13-9. No. 3 Florida State (10-0) beat Maryland 48-10. No. 4 Arizona State (11-0) beat Arizona 56-14. No. 5 Nebraska (9-1) did not play. No. 6 Colorado (9-1) did not play. No. 7 Penn State (10-2) beat Michigan State 32-29. No. 8 Brigham Young (12-1) beat Utah 37-17. No. 9 Tennessee (8-2) beat Kentucky 56-10. No. 10 Notre Dame (8-2) beat Rutgers 62-0. No. 11 Northwestern (9-2) did not play. No. 12 Washington (9-2) beat Washington State 31-24 OT. No. 13 North Carolina (9-2) beat Duke 27-10. No. 14 Kansas State (9-2) beat Iowa State 35-20. No. 15 Alabama (9-2) beat Auburn 24-23. No. 16 Syracuse (8-2) beat Temple 36-15. No. 17 Virginia Tech (9-1) beat No. 23 West Virginia 31-14. No. 18 LSU (8-2) beat Tulane 35-17. No. 19 Virginia (7-3) did not play. No. 20 Wyoming (10-1) did not play. No. 21 Michigan (8-3) beat No. 2 Ohio State 13-9. No. 22 Clemson (7-4) lost to South Carolina 34-31. No. 23 West Virginia (8-3) lost to No. 17 Virginia Tech 31-14. No. 24 Iowa (8-3) beat Minnesota 43-24. No. 25 Miami (7-3) beat Boston College 43-26.

MAJOR COLLEGE SCORES

Bucknell 28, Colgate 27, OT:
Columbia 31, Brown 27:
Cornell 24, Penn 21:
Dartmouth 24, Princeton 0:
Harvard 26, Yale 21:
Penn St. 32, Michigan St. 29:
Syracuse 36, Temple 15:
Alabama 24, Auburn 23:
Arkansas 16, Mississippi St. 13, OT:
Florida St. 48, Maryland 10:
LSU 35, Tulane 17:
Miami 43, Boston College 26:
Mississippi 31, Georgia 27:
N. Carolina St. 37, Wake Forest 22:
Navy 36, Georgia Tech 26:
North Carolina 27, Duke 10:
South Carolina 34, Clemson 31:
Tennessee 56, Kentucky 10:
Virginia Tech 31, West Virginia 14:
Indiana 33, Purdue 16:
Iowa 43, Minnesota 24:
Kansas St. 35, Iowa St. 20:
Michigan 13, Ohio St. 9:
Missouri 42, Kansas 25:
Notre Dame 62, Rutgers 0:
Wisconsin 35, Illinois 15:
Oklahoma St. 37, Baylor 17:
Rice 42, Tulsa 14:
Texas Tech 22, Oklahoma 12:
Arizona St. 56, Arizona 14:
Brigham Young 37, Utah 17:
Idaho 64, Boise St. 19:
Montana 35, Montana St. 14:
New Mexico 44, Texas-El Paso 17:
Oregon 49, Oregon St. 13:
San Diego St. 31, Fresno St. 21:
Stanford 42, California 21:
UCLA 48, Southern Cal 41, 2OT:
Washington 31, Washington St. 24, OT:

NCAA DIV. II FOOTBALL PLAYOFFS
FIRST ROUND
N. Colorado 24, Pittsburg State 21

CRICKET

WEST INDIES TOUR
FIRST TEST
AUSTRALIA VS. WEST INDIES, 3D DAY
SUNDAY, IN BRISBANE
Australia 479 and eight for no wicket
West Indies 277

NEW ZEALAND TOUR
FIRST TEST
PAKISTAN VS. NEW ZEALAND, 4TH DAY
SUNDAY, IN LAHORE
New Zealand: 155 and 311
Pakistan 191 and 231.
New Zealand won by 44 runs

SOUTH AFRICA TOUR
FIRST TEST
INDIA VS. SOUTH AFRICA, 4TH DAY
SATURDAY, IN AHMEDABAD
India 223 and 190
South Africa 244 and 105
India won by 64 runs.

TENNIS

ATP WORLD CHAMPIONSHIP
HANOVER, GERMANY
SEMIFINALS

Pete Sampras (1), United States, def. Goran Ivanisevic (4), Croatia, 6-7 (6-8), 7-6 (7-4), 7-5; Boris Becker (6), Germany, def. Richard Krajicek (8), Netherlands, 6-7 (4-7), 7-6 (7-3), 6-3.

FINAL

Pete Sampras (1), U.S. def. Boris Becker (6), Germany, 3-6 7-6 (7-5) 7-6 (7-4) 6-7 (11-13) 6-4.

CHASE CHAMPIONSHIPS
NEW YORK, U.S.
SEMIFINALS

Steffi Graf (1), Germany, def. Jana Novotna (5), Czech Republic, 4-6, 6-4, 6-3; Martina Hingis (7), Switzerland, def. Iva Majoli, Croatia, 6-2, 4-6, 6-1.

RUGBY UNION

ONE-OFF TEST
ENGLAND VS. ITALY
SATURDAY, IN LONDON
England 54, Italy 21

AUSTRALIA TOUR
IRELAND VS. AUSTRALIA
SATURDAY, IN DUBLIN
Australia 22, Ireland 12

SOUTH AFRICA TOUR
FRENCH BARBARIANS VS. SOUTH AFRICA
SATURDAY, IN BRIVE
French Barbarians 30, South Africa 22

SKIING

WORLD CUP

Official results of World Cup women's slalom on Saturday in Park City, Utah:

1. Claudia Riegler, New Zealand, 1:36.50; 2. Pernilla Wiberg, Sweden, 1:36.57; 3. Ingrid Salvenmoser, Austria, 1:37.49; 4. Patricia Chauvet, France 1:37.73; 5. Sabine Egger, Austria, 1:37.74; 6. Deborah Compagnoni, Italy, 1:37.75; 7. Urska Hrovat, Slovenia, 1:38.50; (tie) Elfi Eder, Austria, 1:38.50; 9. Anita Wachter, Austria, 1:38.70; 10. Leila Piccard, France, 1:39.04.

Slalom Standings: 1. Claudia Riegler, New Zealand, 100 points; 2. Pernilla Wiberg, Sweden, 80; 3. Ingrid Salvenmoser, Austria, 60; 4. Patricia Chauvet, France, 50; 5. Sabine Egger, Austria, 45; 6. Deborah Compagnoni, Italy, 40; 7. Urska Hrovat, Slovenia, 36; (tie) Elfi Eder, Austria, 36; 9. Anita Wachter, Austria, 29; 10. Leila Piccard, France, 26.

Overall World Cup Standings: 1. Katja Seizinger, Germany, 160 points; 2. Deborah Compagnoni, Italy, 120; 3. Anita Wachter, Austria, 109; 4. Urska Hrovat, Slovenia, 108; 5. Hilde Gerg, Germany, 104; 6. Sabina Panzanini, Italy, 100; (tie) Claudia Riegler, New Zealand, 100; 8. Pernilla Wiberg, Sweden, 98; 9. Ylva Nowen, Sweden, 70; 10. Karin Roten, Switzerland, 67.

GOLF

CASIO WORLD OPEN

Final leading scores Sunday of the $1.35 million Casio World Open, on the 7,028-yard, par-72 Ibusuki Golf Club course in Japan (x-won playoff on first hole):

x-P. Stankowski, U. S.	69-69-71-68—277
David Ishii, U.S	69-70-72-66—277
Jumbo' Ozaki, Japan	74-67-68-69—278
Jet' Ozaki, Japan	70-69-70-69—278
C. Franco, Paraguay	73-67-68-71—279
Y. Sakamoto, Japan	72-70-70-68—280
H. Sasaki, Japan	74-69-66-71—280
Y. Hagawa, Japan	69-72-70-70—281
T. Watanabe, Japan	70-74-66-71—281
P. Teravainen, U.S.	70-70-69-72—281

AUSTRALIAN OPEN

Final leading scores Sunday of the $800,000 Australian Open on the 7,048-yard, par-72 The Australian Golf Club course:

G. Norman, Australia	67-73-71-69-280
W. Grady, Australia	70-77-72-69—288
D. Smith, N. Zealand	72-73-73-72—290
K. Eriksson, Sweden	68-71-76-76—291
G. Waite, N. Zealand	72-75-74-71—292
P. McGinley, Ireland	76-74-72-70—292
T. Woods, U. S.	79-72-71-70—292
P. O'Malley, Australia	78-74-71-69—292
T. Price, Australia	73-73-76-71—293
P. Lonard, Australia	78-73-74-68—293

WORLD CUP SCORES

Final scores Sunday from the $1.5 million World Cup of Golf on the 7,002-yard, par-72 Erinvale Country Club course in South Africa:

South Africa 547
Ernie Els 68-72-65-67
Wayne Westner 68-72-65-70
United States 565
Tom Lehman 73-70-70-70
Steve Jones 73-70-70-69
Scotland 566
Andrew Coltart 70-72-72-71
Paul Lawrie 69-70-70-72
Germany 571
Bernhard Langer 71-68-72-69
Alexander Cejka 74-76-68-73
France 572
Jean van de Velde 73-68-71-75
Marc-Antoine Farry 71-73-74-68
Denmark 579
Thomas Bjorn 67-74-76-68
Rene Budde 71-73-76-74
Argentina 579
Ricardo Gonzalez 71-73-68-72
Jorge Berendt 71-74-72-78

SOCCER

GERMAN BUNDESLIGA

Karlsruher SC 2, Fortuna Duesseldorf 0
VfL Bochum 2, B. Moenchengladbach 0
FC St. Pauli 3, Bayer Leverkusen 1
Werder Bremen 0, Borussia Dortmund 4
Schalke 04 4, 1860 Munich 1
Arminia Bielefeld 2, SC Freiburg 0
Bayern Munich 2, Hansa Rostock 1
FC Cologne 2, Hamburger SV 2, tie:
Duisburg 3, VfB Stuttgart 1

Standings: Bayern Munich 32, VfB Stuttgart 30, Borussia Dortmund 30, Bayer Leverkusen 30, Cologne 26, Bochum 26, Karlsruher SC 24, Werder Bremen 21, Schalke 19, St. Pauli 18, Hamburger SV 16, 1860 Munich 16, Duisburg 16, Bielefeld 16, Moenchengladbach 15, Fortuna Duesseldorf 15, Freiburg 13, Hansa Rostock 12.

ENGLISH PREMIER LEAGUE

Chelsea 1, Newcastle 1
Coventry 1, Aston Villa 2
Leicester 1, Everton 2
Liverpool 1, Wimbledon 1
Middlesbrough 2, Manchester United 2
Southampton 0, Leeds 2
Sunderland 1, Sheffield Wednesday 1
West Ham 1, Derby 1
Arsenal 3, Tottenham 1

Standings: Newcastle 29, Arsenal 28, Liverpool 28, Wimbledon 25, Chelsea 24, Everton 23, Manchester United 23, Aston Villa 21, Tottenham 20, Sheffield Wednesday 20, Derby 18, Leicester 17, West Ham 16, Leeds 16, Middlesbrough 14, Sunderland 14, Southampton 13, Coventry 10, Blackburn 8, Nottingham Forest 8.

FRENCH FIRST DIVISION

Auxerre 1, Bastia 2
Monaco 2, Nancy 0
Lyon 2, Bordeaux 2
Metz 1, Nice 0
Le Havre 0, Lille 0
Guingamp 1, Rennes 0
Montpellier 2, Nantes 2
Lens 1, Strasbourg 2
Cannes 2, Caen 0
Paris St-Germain 0, Marseille 0

Standings: Paris Saint-Germain 39, Monaco 38, Bastia 33, Bordeaux 31, Metz 31, Strasbourg 31, Auxerre 29, Lille 28, Lyon 26, Marseille 25, Guingamp 25, Rennes 25, Nantes 24, Lens 24, Cannes 22, Le Havre 21, Montpellier 18, Caen 16, Nancy 12, Nice 10.

DUTCH FIRST DIVISION

Sparta Rotterdam 3, Willem II Tilburg 1
Feyenoord 2, Ajax 2
NEC Nijmegen 0, FC Twente 3
RKC Waalwijk 1, Fortuna Sittard 1
Volendam 4, NAC Breda 1
Groningen 3, Vitesse Arnhem 2
AZ Alkmaar 0, PSV Eindhoven 2
FC Utrecht 2, De Graafschap 0

Standings: PSV Eindhoven 39, Feyenoord 36, Twente Enschede 31, Graafschap Doetinchem 30, Ajax Amsterdam 28, Heerenveen 27, Vitesse Arnhem 26, Roda JC Kerkrade 24, Utrecht 21, Volendam 21, Sparta Rotterdam 21, NAC Breda 18, AZ Alkmaar 17, Groningen 17, NEC Nijmegen 16, Willem II Tilburg 16, Fortuna Sittard 16, RKC Waalwijk 15.

SPANISH FIRST DIVISION

Athletic de Bilbao 2, Barcelona 1
Extremadura 1, Sporting de Gijon 2
Celta 4, Sevilla 2
Deportivo de La Coruna 4, Logrones 1
Hercules 1, Compostela 0
Betis 3, Tenerife 1
Rayo Vallecano 1, Zaragoza 1
Oviedo 0, Real Sociedad 0
Espanyol 0, Racing Santander 0

Standings: Barcelona 31, Deportivo Coruna 30, Real Madrid 29, Real Betis 26, Athletic Bilbao 24, Valladolid 23, Racing Santander 22, Atletico Madrid 21, Real Sociedad 21, Celta Vigo 20, Tenerife 19, Valencia 17, Rayo Vallecano 17, Espanyol 16, Oviedo 16, Sporting Gijon 16, Sevilla 14, Compostela 13, Logrones 12, Zaragoza 11, Hercules 8, Extremadura 6.

ITALIAN FIRST DIVISION

Bologna 3, Atalanta 1
Cagliari 1, Napoli 1
Fiorentina 1, Piacenza 1
Lazio 1, Sampdoria 1
Parma 0, Roma 0
Perugia 3, Verona 1
Vicenza 2, Reggiana 0

Standings: Vicenza 20, Bologna 19, Inter 18, Juventus 16, Napoli 16, Sampdoria 15, Roma 15, Perugia 15, Milan 14, Fiorentina 14, Parma 13, Udinese 12, Lazio 12, Piacenza 12, Atalanta 9, Cagliari 8, Verona 6, Reggiana 4.

TRANSITIONS

BASEBALL
MAJOR LEAGUE BASEBALL

TAMPA BAY—Purchased Orlando, SL, from the Chicago Cubs to become a Devil Rays' minor-league affiliate in 1999, to be renamed the Orlando Rays.

AMERICAN LEAGUE

CLEVELAND—Named Bud Black special assistant of baseball operations.

NEW YORK—Named Trey Hillman manager of Norwich, EL.

SEATTLE—Named Dave Brundage manager, Bryan Price and Dan Rohn coaches and Rob Nodine trainer for Memphis, SL.

TEXAS—Agreed to terms with RHP Matt Whiteside on 1-year contract. Extended contracts of Johnny Oates, manager, and Doug Melvin, general manager, one year through 1998 season.

NATIONAL LEAGUE

CHICAGO—Agreed to terms with LHP Bob Patterson on 1-year contract. Named Phil Regan pitching coach. Named Tim Johnson manager for Iowa, AA and Steve Roadcap manager, Alan Dunn pitching coach and Eric Sugarman trainer for Daytona, FSL.

COLORADO—Named Greg Gross roving minor-league hitting instructor, Paul Zuvella manager, Sonny Siebert pitching coach and Tony Torchia batting coach for Colorado Springs, PCL. Jim Wright pitching coach and Jay Loviglio batting coach for New Haven, EL. Bryn Smith pitching coach and Stu Cole coach for Salem, CL. Ron Gideon manager and Jack Lamabe pitching coach for Asheville, SAL. Jim Eppard manager for Portland, NL and Tim Blackwell manager for the Rockies, AL.

FLORIDA—Acquired RHP Dustin Hermanson from the San Diego Padres for INF Quilvio Veras. Named Carlos Tosca manager and Rick Williams pitching coach for Charlotte, IL. Fredi Gonzalez manager and Sal Rende hitting coach for Portland, EL. Lorenzo Bundy manager for Brevard, FSL. Harold Williams trainer for Kane County, ML. John Deeble manager and Euclides Rojas pitching coach for the Marlins, GCL, and Juan Bustabad manager, Ken Joyce hitting coach and Larry Pardo pitching coach for Utica, NY-PL.

PHILADELPHIA—Agreed to terms with INF Rex Hudler on 2-year contract.

PITTSBURGH—Agreed to terms with LHP Steve Cooke on 1-year contract.

TRIPLE A EXPANSION COMMITTEE—Awarded franchise to Durham to begin play in the 1998 season and announced it will be minor-league affiliate of Tampa Bay and be called the Bulls.

BASKETBALL
NATIONAL BASKETBALL ASSOCIATION

DENVER—Put G Ricky Pierce on the injured list, Waived C Rich King. Signed G Brooks Thompson.

DETROIT—Waived G Kenny Smith. Activated F Jerome Williams from the injured list.

NEW JERSEY—Put F Xavier McDaniel on the injured list.

GOLDEN STATE—Activated F Lou Roe from injured list. Put G Bimbo Coles on injured list.

MIAMI—Announced the resignation of Dave Wohl, executive vice president of basketball operations. Named Randy Pfund general manager.

ORLANDO MAGIC—Activated G Dennis Scott from the injured list.

FOOTBALL
NATIONAL FOOTBALL LEAGUE

NFL—Fined Dallas Cowboys CB Charlie Williams, CB Alundis Brice and DE Kavika Pittman $5,000; RB Herschel Walker, FS George Teague, LB Randall Godfrey and RB Sherman Williams $4,000; and Green Bay Packers LB Brian Williams, CB Roderick Mullen, FB William Henderson, Mike Robinson and WR Terry Mickens $5,000; and WR Desmond Howard and TE Jeff Thomason $4,000 each for their part in a fight during Monday night's game.

SEATTLE—Signed QB Gino Torretta.

HOCKEY
NATIONAL HOCKEY LEAGUE

N.Y. ISLANDERS—Traded LW Chris Marinucci to Los Angeles Kings for C Nicholas Vachon. Assigned Vachon to Utah, IHL.

PITTSBURGH—Acquired C Stu Barnes and D Jason Woolley from Florida Panthers for C Chris Wells.

TAMPA BAY—Acquired G Rick Tabaracci from Calgary for C Aaron Gavey.

COLLEGE

NCAA—Refused to certify Texas-Pan American's athletics program because it failed to operate in accordance with association standards.

ALABAMA—Announced the resignation of Gene Stallings, football coach, at the end of the season.

NEBRASKA—Suspended LB Terrell Farley indefinitely, on suspicion of drunken driving charges.

TEMPLE—Extended contract of Ron Dickerson, men's football coach, for two years.

TULANE—Fired Buddy Teevens, men's football coach.

THE WEEK AHEAD

MONDAY, NOV 25

SQUASH, Doha, Qatar international tournament (to Nov. 30)
ATHLETICS Bangkok marathon: Atlanta Marathon.

TUESDAY, NOV. 26

RUGBY UNION Lyon: Province A vs. South Africa
Limerick, Ireland: Munster vs Australia
Cardiff: Cardiff vs Western Samoa
BOXING, Baton Rouge, Louisiana: Mbulelo Botile, South Africa, vs. Aristead Clayton, U.S. for IBF bantamweight title.

WEDNESDAY, NOV. 27

CRICKET, Calcutta: India vs South Africa, second test (to Dec 1)
RUGBY UNION, Northampton, Britain: Midland Counties vs. Argentina
Gateshead, Britain: Northern Counties vs. South Africa
NORDIC COMBINED SKIING, Vuokatti, Finland: World Cup

THURSDAY, NOV. 28

CRICKET, Rawalpindi: Pakistan vs. New Zealand, second test (to Dec 2).
GOLF, Melbourne: men, Greg Norman Classic (to Dec 1).
Inagi, Japan: men, Japan PGA Tour (to Dec. 1).
Sun City, South Africa: men, Million Dollar Challenge (to Dec. 1).

FRIDAY, NOV. 29

TENNIS, Malmo: Sweden vs. France, Davis Cup world group final (to Dec 1).
CRICKET, Sydney: Australia vs. West Indies, second test (to Dec. 3).
BOXING, Roanoke, Virginia: Thomas Hearns, U.S. vs. Karl Willis, U.S. 10 rounds, light heavyweights.

SATURDAY, NOV. 30

RUGBY UNION, Bordeaux: France vs. South Africa, first test
London: England vs. New Zealand Barbarians
ALPINE SKIING, Breckenridge, Colorado: Men's World Cup slalom and giant slalom (and Dec 1)
Lake Louise, Canada: Women's World Cup downhill and super-G (and Dec 1)
BIATHLON, Lillehammer: World Cup (and Dec 1)
SKI JUMPING, Lillehammer: World Cup
SPEED SKATING, Heerenveen, Netherlands: World Cup event (and Dec 1).
BOBSLEIGH, La Plagne, France: World Cup 2/4-man events (and Dec 1)
LUGE, Sigulda, Latvia: World Cup (and Dec
BOXING, Albuquerque, New Mexico: Johnny Tapia, U.S. vs. Adonis Cruz, Nicaragua, 12 rounds, for WBO junior bantamweight title.

SUNDAY, DEC. 1

RUGBY UNION, Cardiff: Wales vs. Australia, test match.
Huddersfield, England: Northern Counties vs. Argentina.
London: London Counties vs. Queensland.
Coventry, England: Midland Counties vs. South Africa.
CRICKET, Harare: Zimbabwe President's XI vs. England.
ATHLETICS, Fukuoka, Japan: International marathon.
Dallas: White Rock Marathon.
SOCCER, San Jose, Costa Rica: CONCACAF, World Cup qualifying, Costa Rica vs. United States.
San Salvador, El Salvador: CONCACAF, World Cup qualifying, El Salvador vs. Cuba.

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SPORTS

Niners' Field Goal in OT Nips Skins

Chargers Cruise Over Chiefs as Bears Tame Lions

The Associated Press

Jeff Wilkins' fourth field goal, 3:24 into overtime, capped an impressive return by Steve Young as the San Francisco 49ers beat the Washington Redskins, 19-16, on Sunday.

Young, playing his first game since suffering two concussions over a three-week span, completed 33 of 41 passes for 295 yards and also rushed for 25. At one point, he completed 20 consecutive passes.

The victory kept the 49ers (9-3) in first place in the NFC West. The Redskins, who travel to Dallas on Thanksgiving Day, fell to 8-4.

The 49ers forced overtime when Young drove his team 73 yards to tie the game with 1:57 to play. Young hit Brent Jones for a 21-yard gain to the Redskins' 5, and Terry Kirby found the end zone from 1 yard out two plays later.

On the previous drive, the Redskins had taken a 16-9 lead on the game's first touchdown. Tight end Jamie Asher dove into the end zone to cap a 20-yard touchdown reception with 7:28 to play.

In overtime, the 49ers took the kickoff and moved the ball to the Redskins' 20 in seven plays. The last four were runs by Kirby, who finished with 69 yards on 13 carries. Wilkins then made the winning kick from 38 yards.

Panthers 31, Oilers 6 The Panthers defense shut down the fading Houston Oilers as Steve Beuerlein hit Willie Green with two touchdown passes.

It was the third straight victory for the visiting Panthers (8-4), while the Oilers (6-6) lost for the fourth time in five games. The victory kept the second-year Panthers in strong position for a playoff spot.

The Panthers, who have allowed 23 fourth-quarter points this season, held the Oilers under 100 yards until late in the third quarter. Al Del Greco's 45-yard field goal on the second play of the fourth quarter got the Oilers on the board. Then the Oilers completely wilted against the aggressive Panthers.

Chargers 28, Chiefs 14 In Kansas City, Stan Humphries, picking often on top defensive back Dale Carter, led San Diego to a 28-0 lead as the Chargers romped over the Chiefs.

The Chiefs (8-4), who had given up a league-low average of 52.6 rushing yards and 12 points while winning their previous three games, were gouged for 350 total yards in the first three periods.

Backup quarterback Rich Gannon, in his first appearance of the season, replaced Steve Bono late in the third period and made the final score respectable by hitting two late TD passes.

Bengals 41, Falcons 31 Jeff Blake threw two of his four touchdown passes in a 17-point first quarter as the Bengals beat visiting Atlanta.

Unlike their 59-16 loss at St. Louis two weeks ago, the Falcons played hard and nearly wiped out the early 17-point deficit behind Bobby Hebert, who went to the locker room in the first half to get treated for the flu.

But Hebert couldn't get the Falcons closer than three points in the second half and threw a fourth-quarter interception that turned a close game into a blowout.

Bills 35, Jets 10 Jim Kelly and Thurman Thomas put in less than a day's work and the Buffalo Bills still had no problem putting away the visiting Jets.

The two veteran stars sustained first-half injuries, but Kelly stuck around long enough to throw three touchdown passes in Buffalo's fourth straight victory. Kelly threw two touchdown passes to Andre Reed and left the game after re-injuring his right hamstring on a 19-yard TD pass to Steve Tasker with 15 seconds left in the first half. Thomas injured his lower left leg with 4:40 remaining in the first quarter.

NFL Roundup

Bears 31, Lions 14 Dave Krieg revived Chicago's sluggish offense, throwing for three touchdowns as the host Bears beat the Lions, spoiling two more rushing milestones for Barry Sanders.

Sanders became the first player in NFL history to rush for 1,000 yards in eight straight seasons. He was just 18 yards shy of 1,000 entering the game and reached it on a 3-yard carry midway through the first quarter.

Sanders carried 21 times for 107 yards — just 31 in the second half — and also moved past O.J. Simpson into eighth place on the NFL career rushing list.

Bucs 13, Saints 7 The Bucs won their third straight game, beating New Orleans with a blend of efficient offense and stingy defense that has helped them win four of seven after an 0-5 start.

Trent Dilfer threw for 253 yards and one touchdown, and Tampa Bay's defense extended its string of holding opponents to 17 or fewer points to seven consecutive games.

New Orleans (2-10) has lost five in a row, four under interim coach Rick Venturi. Jim Everett had the Saints moving toward a potential game-winning score in the fourth quarter, but threw his third interception to kill the threat.

Patriots 27, Colts 13 Curtis Martin rushed for 141 yards on a season-high 35 carries as the Patriots, who had the third worst rushing attack in the NFL, were never really threatened by the Colts.

New England (8-4) stayed within one game of AFC East leader Buffalo, while visiting Indianapolis (6-6) will have a tough time reaching the playoffs with a schedule that includes Buffalo, Philadelphia and Kansas City.

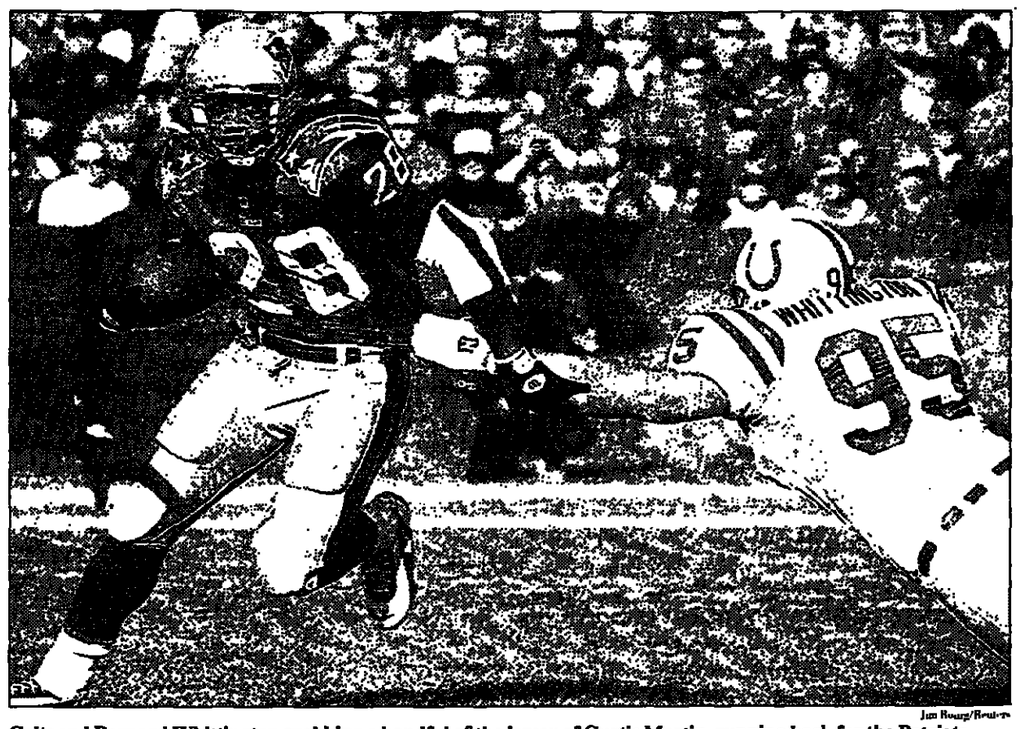
Martin, the AFC rushing leader as a rookie last year, ran nine times on each of the Patriots' first two possessions. They took a 10-0 lead on Adam Vinatieri's 26-yard field goal and Drew Bledsoe's 13-yard pass to Shawn Jefferson.

Broncos 21, Vikings 17 Ed McCaffrey's 5-yard touchdown catch on a deflected pass from John Elway with 19 seconds to play gave the Denver Broncos a victory over the Minnesota Vikings.

On third-and-2, Elway forced a pass over the middle and Harlon Barnett batted it into the air. Barnett and Orlando Thomas then tipped it again before McCaffrey caught it at the 1 and fell over for the score.

It was the 34th time Elway has rallied the Broncos in the fourth quarter during his career, and it allowed Denver (11-1) to win its eighth straight game, matching the second-longest in franchise history.

Elway finished 27-for-36 for 334 yards, including 10-for-13 for 144 yards in the fourth quarter.



Jim Bourg/Reuters

Colts end Bernard Whittington grabbing a handful of the jersey of Curtis Martin, running back for the Patriots.

Wolverines Whip Bowl-Bound Buckeyes

Compiled by Our Staff From Dispatches

COLUMBUS, Ohio — There were roses galore at Ohio Stadium, symbolic of Ohio State's first Rose Bowl berth in 12 years.

But the luster of the Buckeyes' season — and their national championship aspirations — wilted during a 13-9 upset loss to Michigan on Saturday. The loss also meant that Ohio State would have to share the Big Ten Conference championship with Northwestern.

College Highlights

"We have had a good year, but it's not a great year when you don't beat Michigan," said the Buckeyes' coach, John Cooper. "No excuses. Now we have to win the Rose Bowl."

Michigan, a loser in its previous two games, wasn't supposed to put up much of a fight against Ohio State (10-1), which had won 10 straight games and carried a No. 2 national ranking. But the 21st-ranked Wolverines, who were 6-1-1 in the arch-rivals' previous eight meetings, staged a hard-fought comeback. Down, 9-0, at intermission, Michigan (8-3), dominated in the closing 30 minutes.

Defensively, the Wolverines held Ohio State to just 54 yards — only five on the ground — and five first downs in the second half.

Michigan scored on a 68-yard pass play from backup quarterback Brian Griese — who had replaced the injured Scott Dreisbach on Michigan's final series of the first half — to Tai Streets on the second play of the third quarter to close to 9-7. The Wolverines then added 43- and 39-yard field goals by Remy Hamilton. The second kick, with 1:19 left in the game, came at the conclusion of a 12-play, 67-yard drive against a defense that was ranked seventh nationally.

Arizona State 56, Arizona 14 In Tucson, Arizona State kept alive its quest for an unbeaten season and national championship with a victory over Arizona.

Early in the fourth quarter, a backup guard Glen Gable, took it too far with an illegal hit on the Wildcats' Daniel Greer, who was wheeled off with a severely sprained ankle while a skirmish ensued.

The Sun Devils outgained Arizona, 651-170. Their offense was not stopped on downs after the first quarter.

Notre Dame 62, Rutgers 0 At South Bend, Lou Holtz won his 100th game as Notre Dame's coach with a 62-0 rout of Rutgers. It was the last game at Notre Dame Stadium for Holtz, who is retiring after this season.

Bob Davie, Notre Dame's defensive coordinator for the past three years, was hired Sunday to succeed Holtz.

Ron Powlus threw for four touchdowns, setting a school record with 42 career TD passes and tying the single-game record.

No.15 Alabama 24, Auburn 23 Gene Stallings, Alabama's coach, announced his resignation immediately after No. 15 Alabama rallied to beat Auburn on Dennis Riddle's 7-yard touchdown catch with 26 seconds left.

Stallings has a 69-15-1 record in seven seasons at Alabama and led the Crimson Tide to the 1992 national championship. He said he would stay with the team through the end of the season.

Freddie Kitchens capped the winning 84-yard drive against Auburn with a short pass to Riddle, who took it in for the touchdown.

No. 3 Florida State 48, Maryland 10 Warrick Dunn rushed for 109 yards and a pair of touchdowns as Florida State thumped Maryland in a final tuneup for next week's battle of unbeatens against No. 1 Florida.

No. 8 Brigham Young 37, Utah 17 Running backs Brian McKenzie and Ronney Jenkins combined for 332 yards and four touchdowns for BYU (12-1), which will play Wyoming for the WAC title on Dec. 7.

No. 9 Tennessee 56, Kentucky 10 Peyton Manning passed for 317 yards and three touchdowns in just over a half in Bill Curry's last game as Kentucky's coach. Manning became the first Tennessee quarterback to pass for more than 3,000 yards in a season.

No. 13 North Carolina 27, Duke 10 Leon Johnson scored two touchdowns and rushed for 167 yards as North Carolina (9-2) beat Duke, sending the Blue Devils to the first 0-11 season in conference history.

No. 14 Kansas St. 35, Iowa St. 20 Mike Lawrence rushed for a team-record 252 yards and three touchdowns as Kansas State (9-2) beat Iowa State. But Iowa State's Troy Davis became the first Division I-A player ever to have consecutive 2,000-yard rushing seasons.

No. 16 Syracuse 36, Temple 15 Malcolm Thomas, Kyle McIntosh, Tebucky Jones and Keith Downing ran for touchdowns as Syracuse (8-2) won its eighth straight and clinched a tie for the conference title. *(NYT, LAT, AP)*

Cavaliers' Defense Smothers Kings

The Associated Press

Terrell Brandon scored 21 points to lead the Cleveland Cavaliers to their seventh victory in nine games Sunday, 103-74 over the Sacramento Kings.

Cleveland, which is leading the league in defense, held the Kings to 35 percent shooting.

The Cavs led 47-40 at halftime, and scored the first 7 points of the second half, including a 3-pointer and dunk by Chris Mills. Bobby Phills' 3-pointer capped an 18-5 run that made it 65-45.

Tyrone Hill had 17 points for the Cavs. Phills and Bob Sura added 14 each.

In Saturday's games, Reuters reported:

Jazz 105, Bulls 100 Chicago lost for the first time in 13 games this season, falling to Utah despite 44 points by Michael Jordan.

Karl Malone scored 11 of his 36 points in the fourth quarter on Saturday night and the Jazz took advantage of Dennis Rodman's poorly timed temper tantrum to win its fifth straight.

"It was a big win for us," Malone said. "But it was just one game and those guys are still the defending champs."

Bryon Russell and Jeff Hornacek each scored 17 points and John Stockton added 12 and 13 assists for Utah (8-2). Malone added 15 rebounds.

"You know who got the breaks," said Jordan. "You know we missed some easy shots. They missed some easy shots and they got the last little break and that was the deciding point of the game."

Rockets 120, Warriors 115 In Oakland, Kevin Willis, subbing for the ailing Hakeem Olajuwon, scored five of Houston's final seven points, and Charles Barkley had a triple-double to lift the Rockets to an overtime victory over Golden State.

76ers 105, Knicks 92 Allen Iverson had 26 points and career highs with nine assists and nine rebounds in his return to the lineup as the host 76ers beat New York for the second time this season.

Hornets 93, Pistons 85 Dell Curry scored 19 points and Anthony Mason added 18 points and 11 rebounds as Charlotte snapped visiting Detroit's six-game winning streak.

Trail Blazers 105, Nuggets 65 In Portland, Gary Trent scored 12 of his career-high 22 points in the first quarter as the Trail Blazers held Denver to its lowest-ever NBA score.

Timberwolves 98, Clippers 96 Kevin Garnett scored seven of his season-high 24 points in a late fourth-quarter rally and blocked Darrick Martin's 14-foot jumper as time ran out to help the host Timberwolves snap a three-game losing streak.

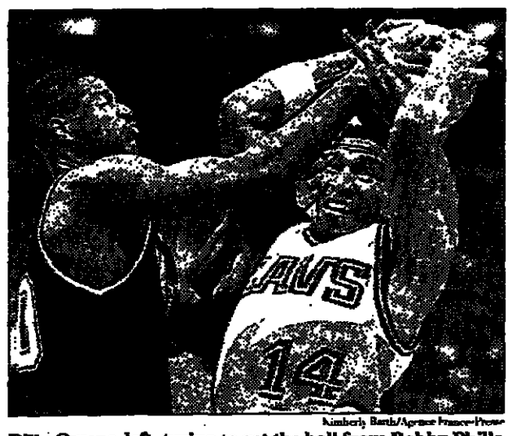
Hawks 91, Raptors 88 In Toronto, Eldridge Recasner scored five of his 23 points in the final 76 seconds, lifting Atlanta to victory over the slumping Raptors.

Magic 76, Pacers 73 Brian Shaw hit a clutch three-pointer and two free throws in the final four minutes and Orlando held the host Pacers to 10 points in the fourth quarter.

Bullets 91, Bucks 87 In Milwaukee, Juwan Howard scored 23 points and Chris Webber added 20 and 15 rebounds as Washington overcame a 12-point fourth-quarter deficit.

Nets 114, Mavericks 91 Kendall Gill scored 26 points and Robert Pack added 17 and a career-high 22 assists to power host New Jersey.

NBA Roundup



Kimberly Barth/Agence France-Presse

Billy Owens, left, trying to get the ball from Bobby Phills.

Grosek Lifts Sabres Over Bruins in Overtime

Reuters

Michal Grosek put a backhander past Boston's goaltender, Scott Bailey, at 2:39 of overtime to give the Buffalo Sabres a 3-2 victory over the host Bruins.

Matthew Barnaby had tried a wrap-around at the left goalpost, but ended up centering the puck off Derek Plante's skate and into a crowd of players in the crease. The puck reached Grosek, who lifted a backhander over Bailey's glove to end the game on Saturday night.

"I think they got a little nervous seeing so many guys scramble in front of the net," said Barnaby. "They all tried to cover a man but they left me open. I just tried to get it on net and Grosek was there with the empty-netter."

Randy Burridge and Brian Holzinger had the other Buffalo goals. Ray Bourque had a goal and an assist for the Bruins.

Panthers 3, Blues 1 In St. Louis, Ray Sheppard set up the tying goal in the second period and scored the game-winner less than two minutes later as Florida defeated the Blues for the first time.

Mark Fitzpatrick stopped 29 shots for Florida, which was 0-3-1 in four previous meetings with St. Louis.

Red Wings 6, Kings 0 Linemates Brendan Shanahan and Steve Yzerman continued their torrid scoring with two goals and two assists apiece. Detroit's goaltender, Chris Osgood, stopped 26 shots for his 11th career shutout in front of a full house at the Los Angeles Forum.

Shanahan has four goals and six assists in his last four games. Yzerman has been even hotter, with five goals and 10 assists in his last six contests.

Senators 3, Whalers 3 Bruce Gardiner scored off a rebound with 2:07 left in regulation and host Ottawa rallied from a three-goal deficit to tie Hartford. Gardiner scored his fourth goal in three games after failing to score in his first 14 games.

Canucks 5, Rangers 3 In Vancouver, ex-Ranger Mike Ridley scored twice, including the go-ahead goal late in the second period, as Vancouver rallied for a victory over freefalling New York.

Alexander Mogilny added a goal and an assist for Vancouver, which has won three straight and swept a season series with the Rangers for the first time.

Mighty Ducks 3, Sharks 0 In San Jose, Paul Kariya scored twice. Teemu Selanne had a pair of assists and Guy Hebert made 25 saves for his first shutout of the season as Anaheim blanked the Sharks.

Coyotes 3, Islanders 3 Keith Tkachuk scored with 17 seconds left in the third period to cap a three-goal comeback as the host Coyotes tied the New York Islanders in a matchup of struggling last-place teams.

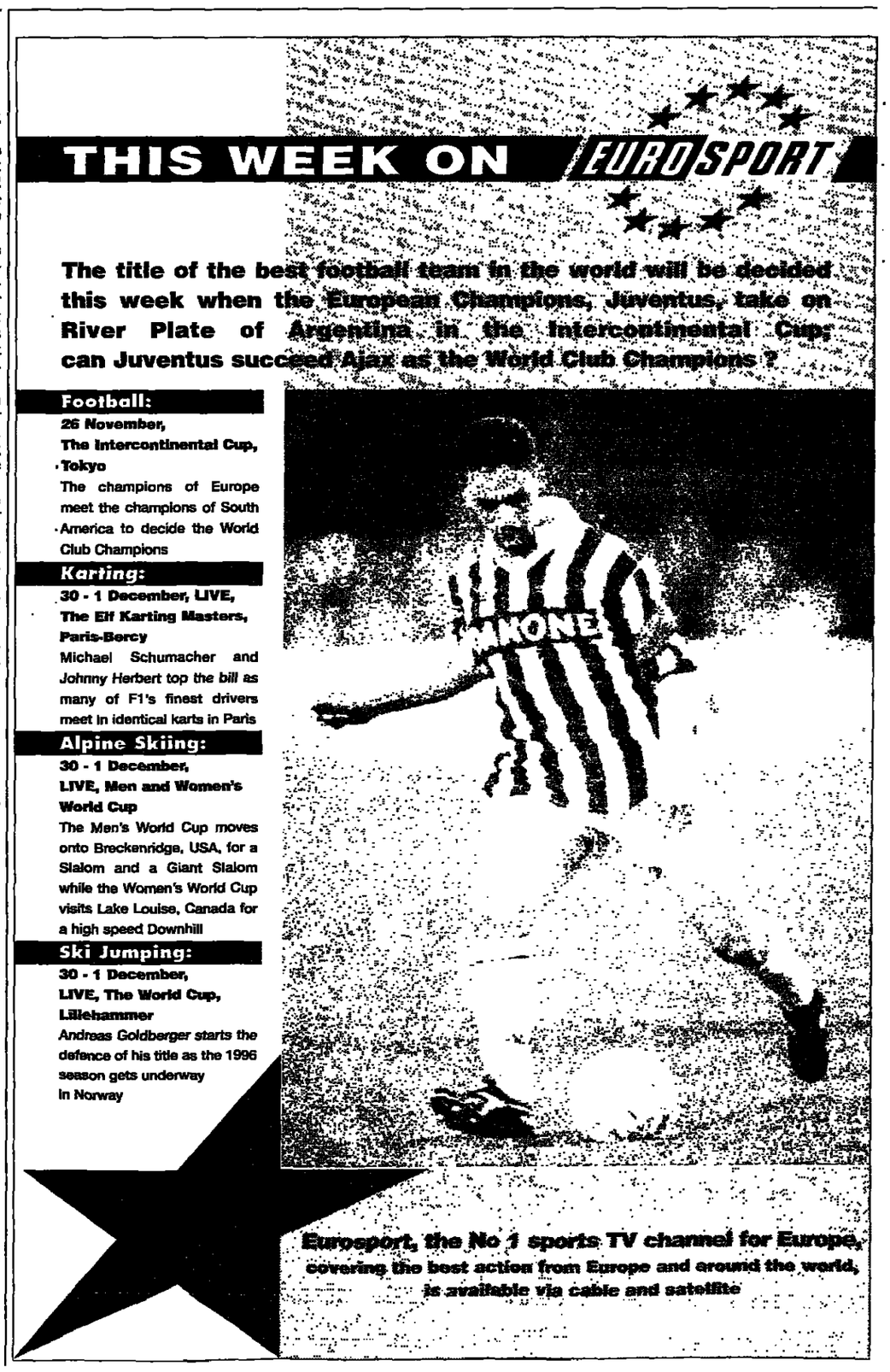
Flyers 2, Lightning 1 Dale Hawerchuk redirected Eric Desjardins' slap shot past goaltender Corey Schwab with just under five minutes remaining in regulation to lift visiting Philadelphia.

Canadiens 4, Maple Leafs 3 In Toronto, Marc Bureau's goal with 7:23 left gave the Canadiens the victory.

Oilers 3, Flames 2 Mariusz Czerkawski's goal at 1:38 snapped a third-period tie and Andrei Kovalenko scored twice as the host Oilers won.

Capitals 4, Devils 3 In Washington, Peter Bondra's breakaway goal with 3:34 remaining gave the Capitals a victory over New Jersey and a sweep of a home-and-home series.

NHL Roundup



صكذا من الاصل

BASKETBALL Bulls Lose p.17 **COLLEGE FOOTBALL** Buckeyes Blow It p.17 **CRICKET** India Beats South Africa p.16

TOMORROW: STYLE

Herald International Tribune
SPORTS

WORLD ROUNDUP



Anna Zieminski/AFP

Ernie Els, top, and Wayne Westner studying a green.

South Africa's Cup

GOLF The home team of Ernie Els and Wayne Westner won the World Cup of Golf by 18 strokes Sunday with a 29 under par aggregate of 547 on the tight Erinvale Country Club course in Cape Town, South Africa.

The South Africans also took first and second place in the individual competition.

The U.S. team of Steve Jones and Tom Lehman was second, one shot ahead of the Scottish pair Paul Lawry and Andrew Coltart.

• Greg Norman won the Australian Open by eight strokes Sunday, firing a final round of three-under-par 69 for an eight-under 280, eight strokes ahead of compatriot Wayne Grady.

Norman was the only player to finish under par. The rest of the field struggled to deal with the rain and winds over the first three days. Tiger Woods shot 79 on Thursday, his worst round as a professional, but finished on four-over 292 after a final round of 70 to tie for fifth.

• Karrie Webb and Emilee Klein were tied for the lead at 207, 9-under par, after three rounds of the season-ending $700,000 LPGA Tour Championship at the Desert Inn course in Las Vegas.

Laura Davies, the tour's leading money winner, shot a 71 and was tied for third at 210 in a group that included Nancy Lopez, Brandie Burton, Juli Inkster and Michelle McGann. *(AP)*

Virgil Hill Adds Title

BOXING Virgil Hill added the IBF light heavyweight title to his WBA crown by pounding out a 12-round split decision over Germany's Henry Maske in Munich. *(AP)*

Austrian Wins in Utah

SKIING Thomas Sykora edged Austrian teammate Thomas Stangassinger by .29 seconds Sunday to win a men's World Cup slalom in Park City, Utah. Sykora completed two runs down the treacherous Clementine run in 1 minute, 46.03 seconds. Stangassinger, the 1994 Olympic slalom champion, was second in 1:46.32.

Norway's Kjetil Andre Aamodt, the 1994 World Cup overall champion, had the fastest second run among those skiers who led after the morning session and finished third at 1:46.91.

• Claudia Riegler, an Austrian who skis for New Zealand, won the women's World Cup slalom on Saturday. Riegler completed two trips down the C.B.'s Run course in 1 minute, 36.50 seconds to beat Pernilla Wiberg of Sweden by .07 seconds. *(AP)*

Sampras and Graf Hang On to Win Showdowns

Becker Beaten In Dramatic, 5-Set Marathon

By Christopher Clarey
Special to the Herald Tribune

HANNOVER, Germany — It was a very long afternoon for Boris Becker and Pete Sampras, and it ended with the day's longest rally.

The world's two finest indoor players exchanged 24 shots from the baseline, and when a Becker backhand finally struck the net, Sampras threw both arms wearily in the air and staggered in the general direction of his coach, Paul Annacone.

It had taken him five sets and precisely four hours, but Sampras finally had beaten Becker and his 15,400 German accomplices in Hannover. He also had won the ATP Tour World Championship for the third time.

Sampras's 3-6, 7-6 (7-5), 7-6 (7-4), 6-7 (11-13), 6-4 victory on Sunday was not the most dramatic triumph of his career. His victories over Jim Courier at the 1995 Australian Open, over Andrei Chesnokov in the 1995 Davis Cup final and, most recently, over Alex Corretja in this year's U.S. Open were finer theater. But this match certainly deserves a spot somewhere on his list of greatest hits.

He did not always play superbly, struggling with his return against Becker — Sampras took Becker to deuce only twice all day on his serve — and playing tentatively on occasion during the memorable fourth-set tiebreaker. But when the fifth set wound inexorably to a close, Sampras showed once again why he has been the world's top-ranked player for much of the 1990s.

Despite Becker's combativeness and frequent brilliance, despite the foot-stomping fans who made the temporary arena quake enough to remind Sampras of his California childhood, the American kept his calm and hit the shots he needed most under pressure.

For his efforts, he received a check of $1.34 million: the largest sum available on the ATP Tour.

"There was very little separating Boris and me out there today," said Sampras, who also won this tournament in 1991 and 1994. "I'm sure if I had lost, I would have been very disappointed. But walking down those steps before the match and hearing that crowd. They are not rooting against me; they are rooting for Boris, and it was nice to be a part of that. That's what this game is all about. It's not the money. It's the great matches, and this is one of the best matches I have ever been a part of."

"That was the ultimate match for me, and I think also for him," Becker said. "He has got to have something to be number one for four years running, an everybody saw today when the score was against him, he played tough and kept his composure."

Becker had beaten Sampras in their last two matches: winning in five sets in the final in Stuttgart last month and winning another memorable match in two tiebreakers during round-robin play on Thursday. But beating the world's number one three times in a row proved just a little too much to ask.

The German, who won this elite, season-ending tournament once in New York and twice in Frankfurt, began the match with four straight aces and served 30 overall. He won more points than Sampras (178 to 166). What he was unable to do was break the American's serve in the final four sets. Becker saved three match points — two in the fourth-set tiebreaker — and another with Sampras serving for the match at 5-4, 40-15. But even with the crowd chanting, he could not win the final rally, and when it ended, he leaned on the net and waited wearily for his opponent. Their handshake quickly turned into an embrace.

"Matches like that keep me in the game longer and longer," Becker said. "At the end, it almost didn't matter for me anymore who won or lost. It was just so enjoyable and so emotional. I risked everything."

Sampras said: "I really can't point out one thing Boris doesn't do well, and there is a lot of respect between us. He just goes out and plays, and there are no personal problems. The better man wins and we shake hands, and that's really it."

Becker and Sampras were quite fortunate to play each other at all on Sunday. In Saturday's best-of-three-set semifinals, Sampras barely survived with a 6-7 (6-8), 7-6 (7-4), 7-5 victory over Goran Ivanisevic. Becker followed with an equally harrowing 6-7 (4-7), 7-6 (7-3), 6-3 victory over Richard Krajicek.

But those narrow, serve-dominated matches will be mere footnotes to Sunday's final. On four previous occasions in Frankfurt, Becker and Sampras played in the round-robin portion of this event. On every occasion, the loser of that match went on to win the tournament. This year, despite the move to Hannover, that trend continued. It is as if the psychological effort required for one of them to beat the other indoors takes just the slightest edge off his game for the remainder of the week.

"It is a question of pressure, too," Becker said. "The guy who wins first obviously has more pressure playing the guy again."

If Sunday's finalists do play again soon, the American does have one stipulation.

"Not in Germany," a grinning Sampras told the massive crowd.



Michael Probst/The Associated Press

Boris Becker running Sunday to hit a volley against Pete Sampras in the ATP Tour World Championships.

Limping No. 1 Beats Hingis In Fifth Set

The Associated Press

NEW YORK — Icing her left knee on every changeover during the final hour, Steffi Graf outlasted Martina Hingis who was also limping in five sets Sunday to win the $2 million Chase Championships.

Graf beat the 16-year-old Swiss star, 6-3, 4-6, 6-0, 4-6, 6-0, in 2 hours, 49 minutes to capture this season-ending tournament. It was the second straight year Graf has won the tournament and fifth time in all.

The victory was worth $500,000 for Graf. Hingis, the youngest player, male or female, to earn $1 million in a year, earned $250,000.

On the final point of the seventh game of the fourth set, Graf twisted her knee. At the end of the next game, Hingis began limping and rubbing her left thigh as if suffering from cramp.

Two points later, she lay on the floor, trying to stretch her thigh. When the umpire gave Hingis a code violation for delay of game, the Madison Square Garden crowd vented its displeasure.

Following that game, in which she lost her serve, Hingis left the court with the trainer and returned five minutes later. She then broke Graf in one of the longest games of the match, 18 points, to close the set and send the match to the fifth set for the second straight year.

Graf immediately broke Hingis at love to begin the decisive set. Hingis fought back, Graf survived five deuces and two break points before holding serves and at once broke Hingis again.

"Wherever she goes, she wins," Hingis said. "She's so unbelievable."

Graf closed the match by holding at 15, serving the final two of her 13 aces.

Time and again Hingis's deep groundstrokes pinned Graf behind the baseline or chased from one corner to the other. The way Hingis changed the ball's direction and her shot selection often left Graf standing on the wrong side of the court, watching a Hingis winner zip past.

Hingis finished with just as many winners as Graf — 55. But she had 65 unforced errors while Graf committed 48.

When the new rankings are released Monday, Hingis should be ranked No. 4 behind No. 1 Graf, co-Nos. 2 Monica Seles and Arantxa Sanchez Vicario and No. 3 Jana Novotna.

Vicenza Tops League for First Time

Compiled by Our Staff From Dispatches

Vicenza remained perched on the top of Serie A Sunday evening after Inter Milan played to a 1-1 tie with its local rival AC Milan.

Earlier in the day, Gabriele Ambrosetti had scored his first two goals of the season Sunday to give Vicenza a 2-0 victory over Reggiana and first place in the Italian championship.

Ambrosetti turned home Marcelo Otero's cross in the 34th minute for Vicenza's opener before clinching his team's great day with a second midway through the second half.

Vicenza briefly shared the series A lead in 1963 but has never enjoyed an outright lead in its 94-year history.

"The title is beyond our ambitions," said manager Francesco Guidolin, "but we're going to enjoy this moment of history for a few hours."

But thos few hours were prolonged when Inter failed to beat AC Milan. Roberto Baggio gave Milan a fourth minute lead with a breakaway goal. Inter equalized nine minutes later on Youri Djorkaeff's penalty kick.

Vicenza is one point ahead of Inter and Bologna which won 3-1 over Atalanta. Bologna, which won its last league title in 1964, took the lead when Davide Fortunato deflected Cristiano Scapolo's cross past his own goalkeeper in the 22d minute.

In the 55th minute, Igor Kolyvanov made it 2-0. Pierpaolo Bresciani added a third three minutes later.

Felippo Inzaghi replied for Atalanta with his eighth goal of the season. He is joint top scorer in series A with Roma's Abel Balbo.

SPAIN Real Madrid knocked Barcelona off the top of the Spanish first division Sunday thanks to a hat-trick by Croatian international Davor Suker in a 4-2 victory over Valencia.

Real leads by one point after Barcelona's 2-1 defeat at Athletic Bilbao on Saturday. A further point behind Barcelona is Deportivo Coruna, 4-1 winners over struggling Logrones.

Suker combined superbly with Dutch international Clarence Seedorf in Real's best performance of the season.

Yet Real had to come from behind after a defensive mistake allowed Valery Karpin to score after 12 minutes.

Real struck straight back with two goals in five minutes from Suker. Suker completed his second hat-trick of the season 15 minutes after the break.

Raul sealed the game with a superb lob, before Valencia scored from the penalty spot in the dying minutes.

GERMANY VfB Stuttgart failed to recapture the top spot in the Bundesliga Sunday, losing 3-1 away to Duisburg.

Stuttgart began the weekend as league leaders, but Bayern Munich jumped from third to first place on Saturday with a 2-1 victory over bottom club Hansa Rostock.

At Duisburg, Brazilian striker Giovane Elber gave Stuttgart the lead after 38 seconds, pouncing on a rebound from a Fredi Bobic shot to score his 10th league goal of the season.

But the Zebras fought back and were back on level terms in the seventh minute with a goal from Markus Osthoff. Thomas Vana put them ahead after the break when his long-range shot was deflected past Stuttgart goalkeeper Franz Wohlfahrt. Michael Zeyer sealed the points for Duisburg in the 78th minute.

Stuttgart's defeat left it in second place, level on points with Borussia Dortmund and Bayer Leverkusen.

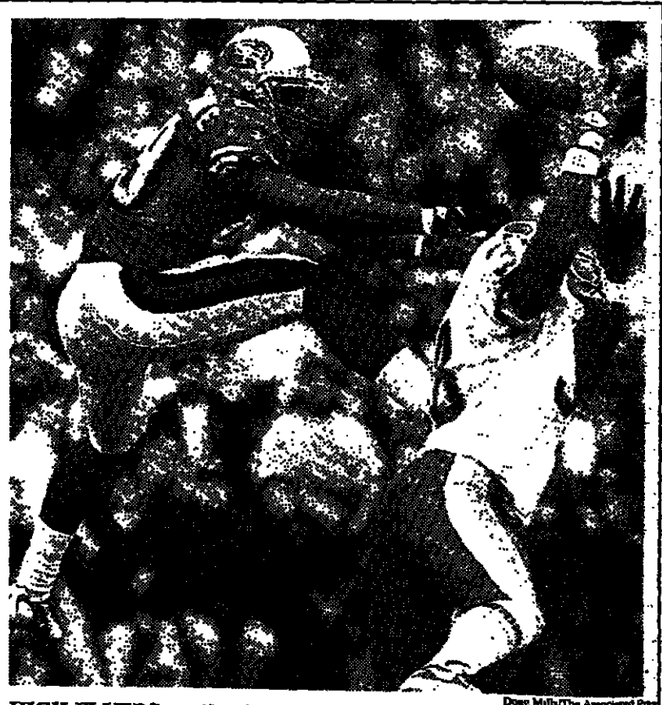
FRANCE Nigeria's Victor Ikpeba and Scot John Collins scored as Monaco beat Nancy, 2-0, at home to move just one point behind leaders Paris Saint-Germain on Saturday.

PSG was held 0-0 at home by Marseille on Friday.

WORLD CUP Joe-Max Moore scored the only goal Sunday as the United States beat Trinidad and Tobago, 1-0, in Port-of-Spain in a World Cup qualifying game. *(Reuters, AP, AFP)*

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SOCCER ROUNDUP



Doug Mills/The Associated Press

HIGH FLYERS — 49ers' receiver Iheanyi Uwaezuoke, left, and Redskins' safety Darryl Morrison battling for a pass Sunday. Page 17.



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